Employment, Immigration and Industry

Annual Report 2007-2008

Alberta

This report was prepared on behalf of the Ministry by the Department of Alberta Employment and Immigration in collaboration with its entities.

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Employment, Immigration and Industry

Annual Report
2007-08

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Preface

Public Accounts 2007-08

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 Ministries.

The annual report of the Government of Alberta released June 24, 2008 contains the Minister of Finance's accountability statement and the consolidated financial statements of the Province. The *Measuring Up* report released June 24, 2008 provides a comparison of the actual performance results to desired results set out in the government's business plan.

This annual report of the Ministry of Employment, Immigration and Industry contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry,**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report, and**
- **additional information relating to the Department of Employment, Immigration and Industry, Alberta Economic Development Authority, Northern Alberta Development Council, Alberta Labour Relations Board, Appeals Commission for Alberta Workers' Compensation, and Workers' Compensation Board – Alberta.**

On March 12, 2008, the government announced new ministry structures. Since the 2007-08 fiscal year was substantially completed prior to this announcement, ministry annual reports and financial statements have been prepared as if the restructuring took place on April 1, 2008, to provide proper accountability for the 2007-08 fiscal year against the original business plan.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2008, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 8, 2008 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Hector Goudreau
Minister of Employment and Immigration

Message from the Minister

The reorganization of government in March 2008 came at the end of the fiscal year of 2007-08. As Minister of Employment and Immigration I am responsible for producing the Annual Report for the former Ministry of Employment, Immigration and Industry (EII). This report reflects that work. During the year, the Ministry played a significant role in improving Albertans' quality of life, building a stronger Alberta and governing with integrity and transparency. I am proud of our accomplishments as highlighted in this annual report.

With another strong year in employment and economic growth, we saw an increase in employment for Albertans of all age groups. The strong economy was a huge draw for thousands of inter-provincial migrants, immigrants, and temporary foreign workers who moved to Alberta. Despite so many people coming here, Alberta is still in dire need of people to answer the calls for "help wanted" across the province. To meet this need, the Ministry successfully focused on better coordination of economic development, labour force planning, immigration and settlement services.

Launched in 2006, Alberta's comprehensive 10-year labour strategy, *Building and Educating Tomorrow's Workforce (BETW)*, is a guide for increasing the skills and opportunities for people who have traditionally struggled to find and keep jobs; increasing the labour force participation of Aboriginal people; delivering strategies to retain mature workers; increasing technology adoption; and producing sector labour force strategies. To achieve *BETW's* goals we provided individualized support to Albertans and employers through offices across the province and by collaborating with community agencies and training providers.

Even with Alberta's low unemployment rate, there continues to be more jobs than skilled and productive Albertans to fill them. Alberta has recognized the need to look beyond its borders. This year, our 'Made in Alberta' immigration strategy moved up another level as we launched initiatives to recognize foreign credentials, introduced loans for upgrading skills and provided services for healthcare professionals wanting to work in their chosen careers. The focus is to encourage new Albertans to put down roots, raise their families here, and contribute to, and share in, Alberta's prosperity.

To achieve sustainable economic growth, the Ministry supported initiatives such as *Securing Tomorrow's Prosperity* to keep Alberta's business competitive and knowledge-driven. It is through innovation and collaboration at the provincial level, and locally and regionally through Regional Economic Development Alliances, that Alberta continues to build a vibrant economic climate.

The Ministry remains committed to workplace health and safety. Stepped-up workplace inspections and collaboration with employers and labour promote safe and fair workplaces for all employees, regardless of their origin.

I am also pleased to recognize the work of the Alberta Labour Relations Board and the Appeals Commission for Alberta Workers' Compensation. Their consistent and dedicated efforts help to maintain positive relations with workers and labour organizations in the province.

I wish to thank all staff and our community, business and industry partners. These accomplishments, and the many others detailed in this annual report, are the result of their dedication and commitment to Albertans.

Hector Goudreau
Minister

Management's Responsibility for Reporting

The Ministry of Employment, Immigration and Industry includes:

- Department of Employment, Immigration and Industry
- Alberta Economic Development Authority
- Northern Alberta Development Council
- Alberta Labour Relations Board
- Rural Alberta's Development Fund
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Board Medical Panels
- Workers' Compensation Board – Alberta
- Occupational Health and Safety Council

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Employment, Immigration and Industry. Under the direction of the Minister I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Employment, Immigration and Industry any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.

Shirley Howe
Deputy Minister
Employment and Immigration
September 8, 2008

Overview

Employment, Immigration and Industry

Overview

- Organizational Charts
- Operational Overview
- Summary of Key Activities

Organizational Charts

The following organizational charts included in this annual report reflect the organizational structure of the Ministry as at March 11, 2008:

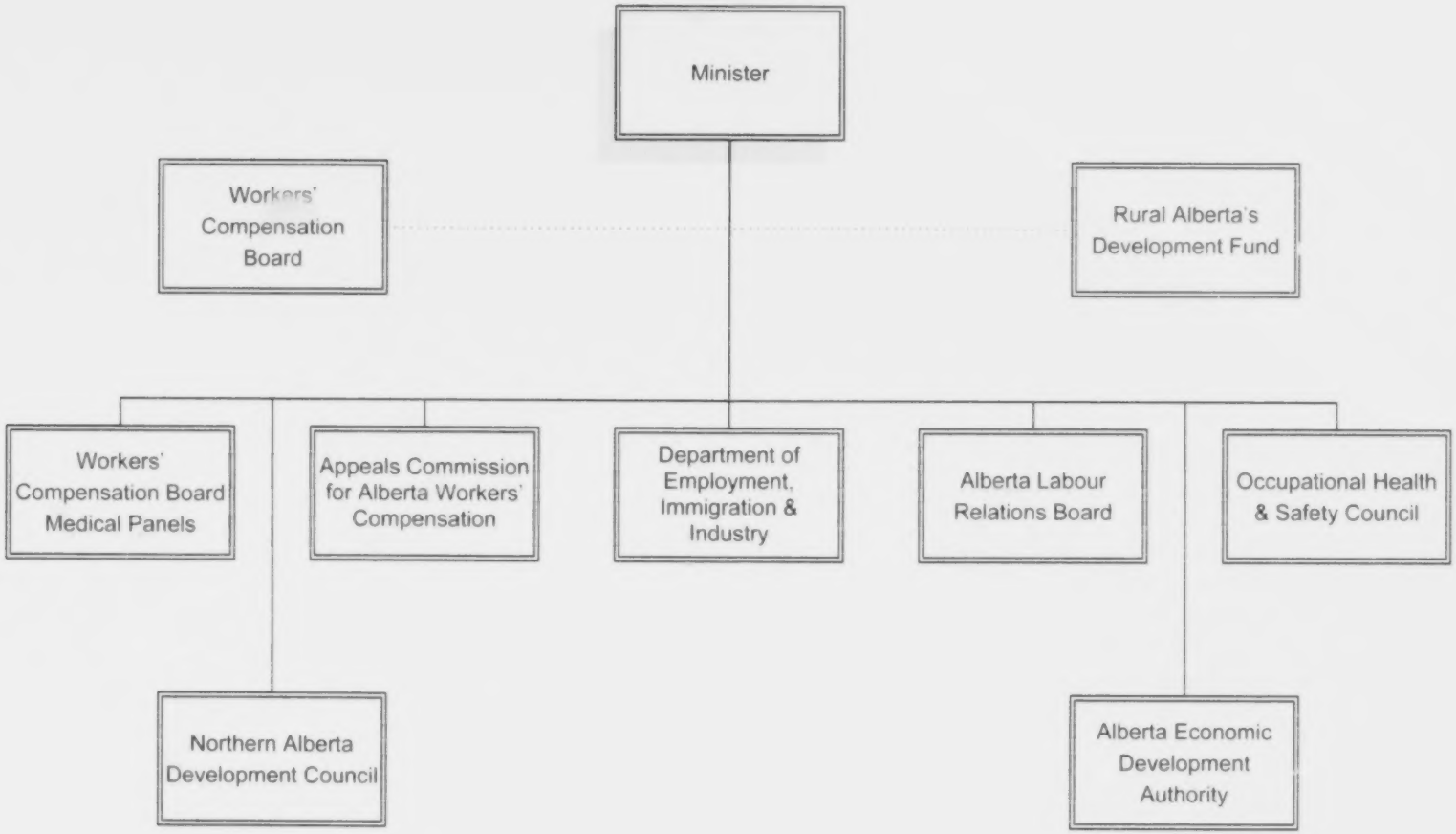
- Ministry of Employment, Immigration and Industry
- Department of Employment, Immigration and Industry
- Alberta Economic Development Authority
- Northern Alberta Development Council
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Medical Panels
- Occupational Health and Safety Council

Since the following organizations prepare their own business plans and annual reports, their organizational charts are not included:

- Rural Alberta's Development Fund
- Workers' Compensation Board – Alberta

Ministry of Employment, Immigration and Industry

(as at March 11, 2008)

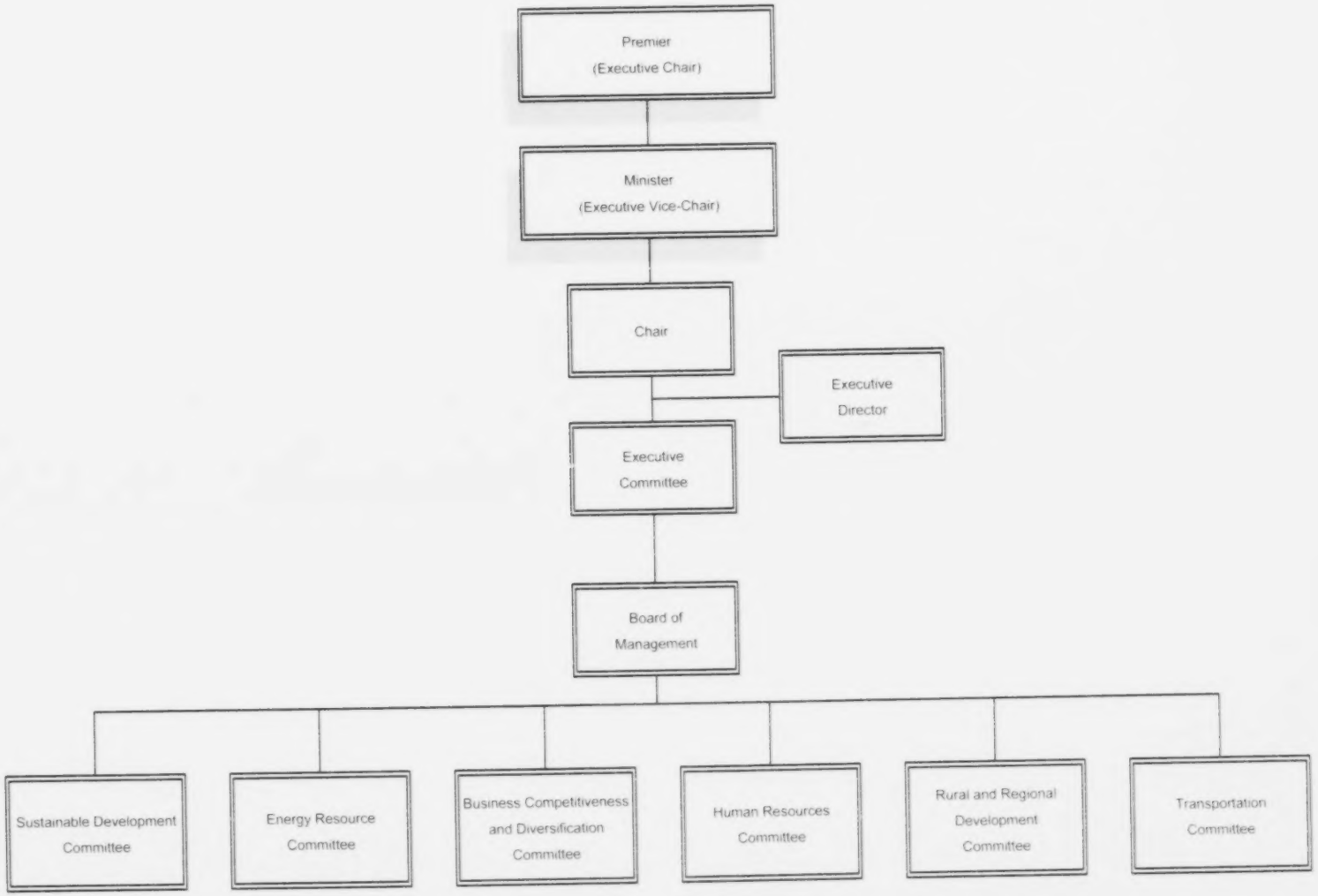

Minister
Workers' Compensation Board
Rural Alberta's Development Fund
Workers' Compensation Board Medical Panels
Appeals Commission for Alberta Workers' Compensation
Department of Employment, Immigration & Industry
Alberta Labour Relations Board
Occupational Health & Safety Council
Northern Alberta Development Council
Alberta Economic Development Authority

Department of Employment, Immigration and Industry

(as at March 11, 2008)

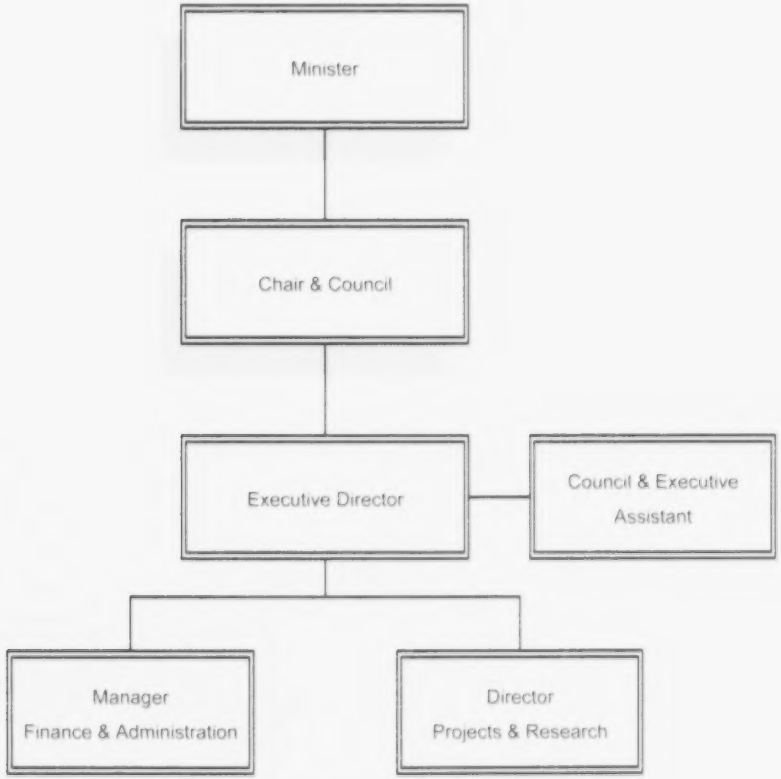
Alberta Economic Development Authority

(as at March 11, 2008)



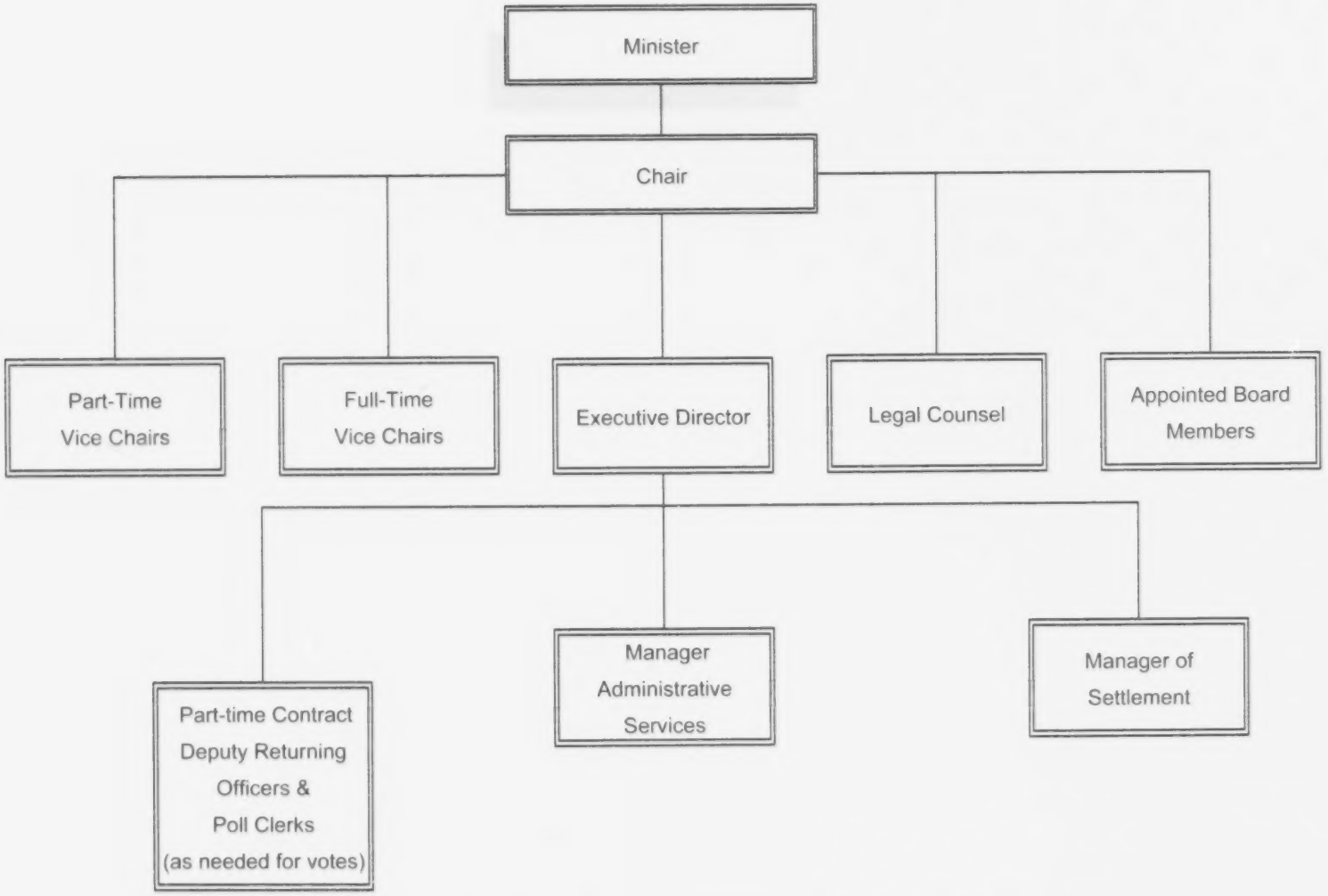
Northern Alberta Development Council

(as at March 11, 2008)



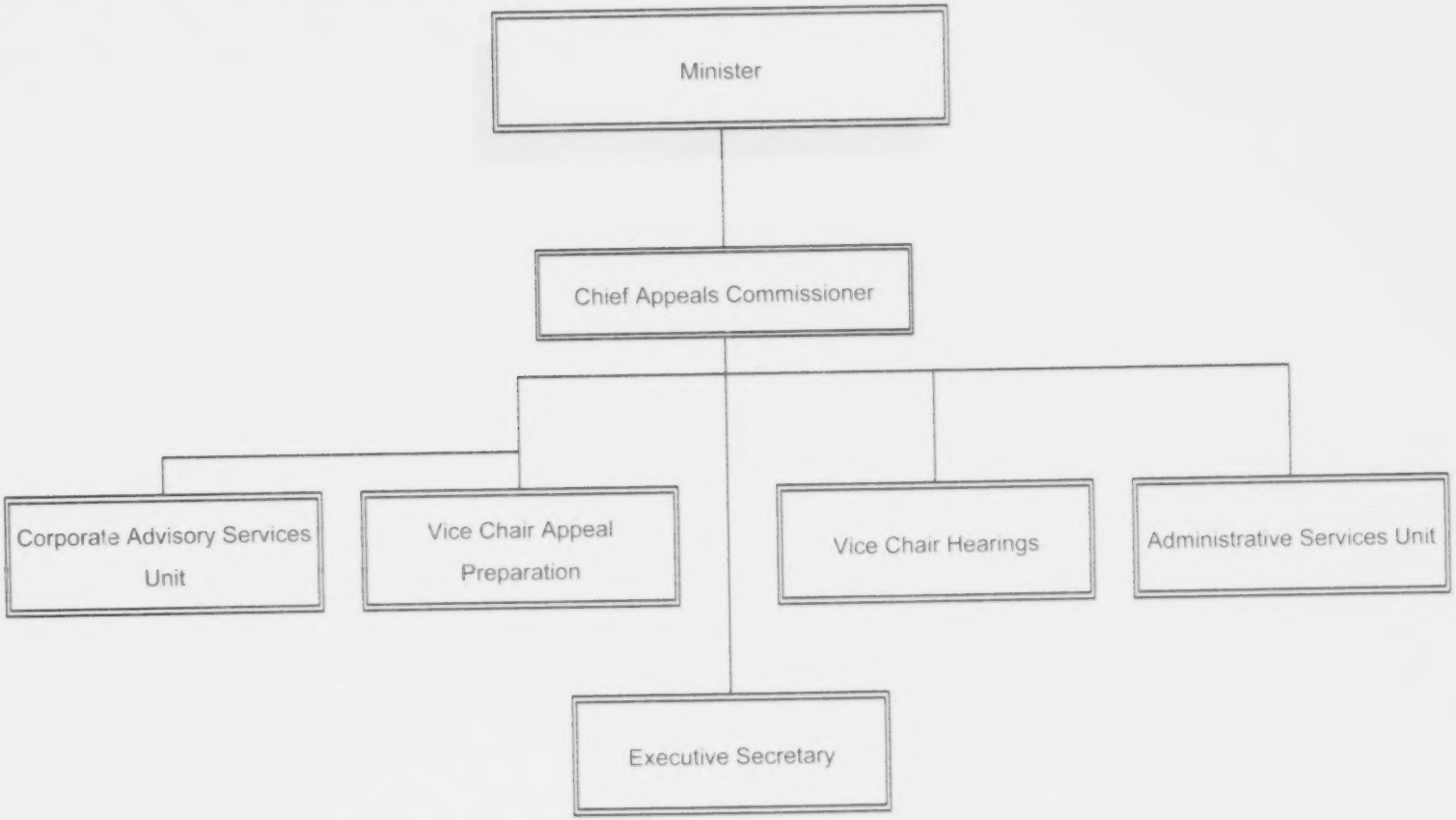
Alberta Labour Relations Board

(as at March 11, 2008)



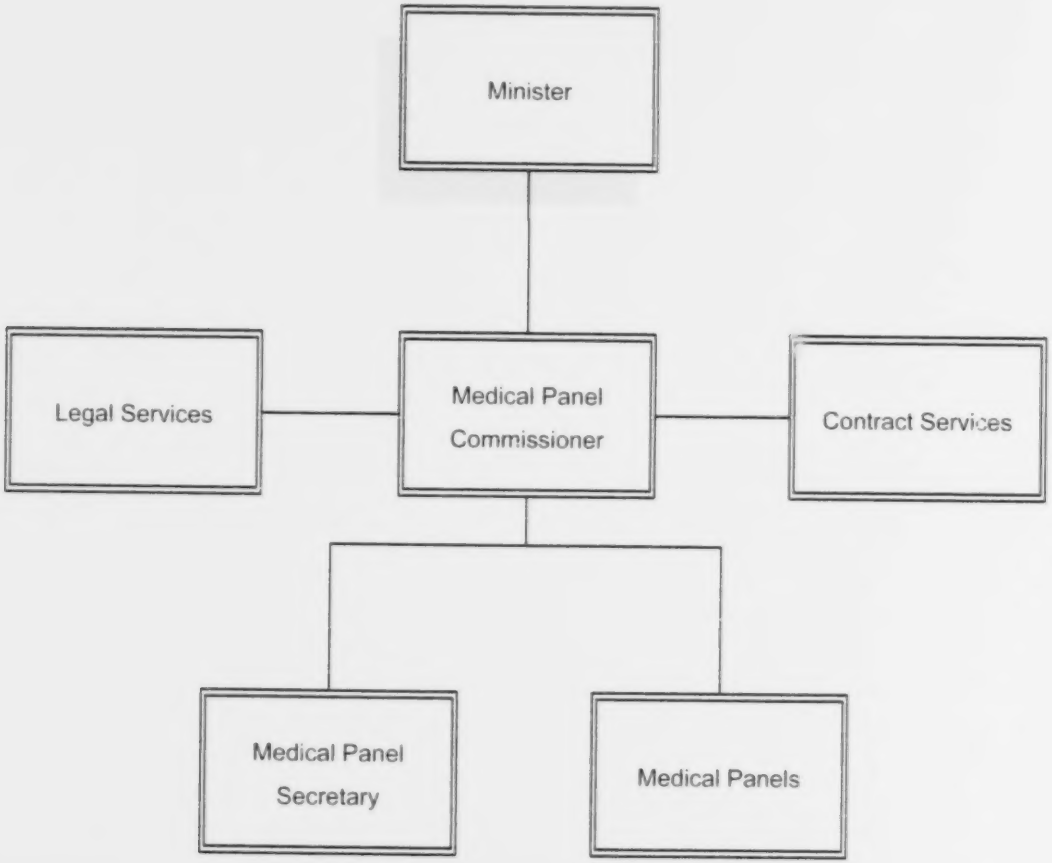
Appeals Commission for Alberta Workers' Compensation

(as at March 11, 2008)



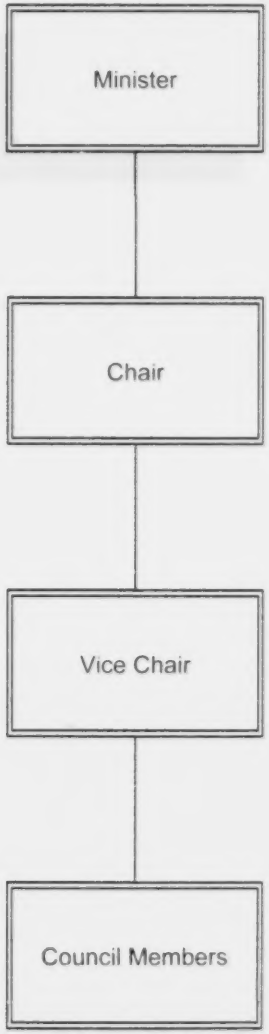
Workers' Compensation Medical Panels

(as at March 11, 2008)



Occupational Health and Safety Council

(as at March 11, 2008)



Operational Overview

Employment, Immigration and Industry's Annual Report consists of information about the following:

- Department of Employment, Immigration and Industry
- Alberta Economic Development Authority
- Northern Alberta Development Council
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Medical Panels
- Occupational Health and Safety Council

Financial information for the Workers' Compensation Board – Alberta (WCB) is included in this report. The Rural Alberta's Development Fund Annual Report and additional WCB information are provided annually to the Minister in separate reports.

This section includes the Ministry's vision, mission and core businesses; an overview of Ministry programs; and an overview of divisional functions within the Department of Employment, Immigration and Industry.

Ministry of Employment, Immigration and Industry

Vision, Mission and Core Businesses

VISION

Alberta is the best place in the world to live, work and do business.

MISSION

To build Alberta's economy and workforce to ensure a vibrant and prosperous province for all Albertans.

CORE BUSINESSES

Core Business 1: Employment

Employment, Immigration and Industry helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province.

Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta

Core Business 2: Immigration

Employment, Immigration and Industry attracts and welcomes newcomers into Alberta to primarily offset our labour and skills shortages. Alberta's newcomers – both from other provinces and from other countries – will add to the diversity of our population as they are welcomed and settled into our communities.

Goal 2: Alberta is able to attract workers to the province

Core Business 3: Industry

Employment, Immigration and Industry works with industry and communities to enhance sustainable economic development, competitiveness, innovation and productivity, and to promote fair, safe and healthy workplaces.

Goal 3: Alberta has a competitive and sustainable economy

Goal 4: Alberta has strong and vibrant regions and rural communities

Goal 5: Alberta has a fair, safe and healthy work environment

Alberta Labour Relations Board

Goal 6: Alberta has a fair, equitable and stable labour relations environment

Appeals Commission for Alberta Workers' Compensation

Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

Ministry of Employment, Immigration and Industry

Overview of Programs

Core Business One: Employment

The Department of Employment, Immigration and Industry helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province through employment and training, and supports programs for Albertans.

Employment and Training Programs

Through the following programs and services, the Department helps Albertans get the skills and training they need to find and keep work:

Career Information provides programs and services that give Albertans the information and resources they need to make well-informed career, education, employment and business decisions. These include:

- *Career Development Services – includes assessments, individual service plans, service management, career consulting and workshops;*
- *Exposure Courses – provides job-ready individuals with the opportunity to obtain the job specific skills required for employment in as short a time period as possible;*
- *Job Placement Services – to help individuals locate, obtain, and maintain jobs. It connects individuals who are ready, willing and able to work with employers needing to fill jobs;*
- *Labour Market Information Centres – friendly, well-equipped offices where people have access to career planning resources that help to find employment; and*
- *Youth Connections – designed to prepare young people for learning and work by providing them with career and employment assistance.*

Training for Work provides full-time and part-time occupationally focused training opportunities. This enables individuals to gain skills to sustain employment, to get a job and substantially improve their employment situation or adapt to changing labour conditions. Program elements include:

- *Aboriginal Training to Employment – partnerships with First Nations, Métis and other Aboriginal communities, organizations, government departments, industry and other interested parties to facilitate the participation of Aboriginal Peoples in training projects;*
- *Alberta Job Corps – an employment/training program that provides combined workplace experience and training for individuals who have demonstrated they are unable to get or maintain work in the competitive labour market;*
- *First Nations Training to Employment – workplace training opportunities for First Nations members in occupations that are in labour market demand;*
- *Integrated Training – skills-based training that combines academic and general employability skills with occupation-related skills;*
- *Occupational Training – classroom-based training that is occupation-specific and may include work experience;*

- *Part-time Training – funding for part-time courses available for Work Foundations or occupation-specific programs for people who want to improve their educational level and occupational skills while continuing to work;*
- *Québec/Alberta Student Employment Exchange Program – provides summer employment opportunities within Québec and Alberta provincial government departments to participating university students;*
- *Self-Employment – training that facilitates entry into self-employment by offering individuals formal instruction on business plan development, business counseling, coaching and guidance;*
- *Summer Temporary Employment Program (STEP) – a temporary employment program mainly for high school and post-secondary students to provide career related employment opportunities during the spring and summer months;*
- *Transitional Vocational Program – training and work experience to assist individuals with a developmental disability to obtain and maintain employment and gain independence; and*
- *Workplace Training – provides employer-delivered work site training opportunities to individuals having difficulty entering the workforce.*

Work Foundations provides full-time and part-time basic skills training to enable individuals to pursue further job related training and/or to find a job and substantially improve their employment situation. Program elements include:

- *Academic Upgrading – in Grades 10 to 12 classroom based training to develop the necessary academic competencies;*
- *Basic Skills – training in literacy and numeracy (grades one to six), adult basic education (grades seven to nine), life skills/personal management training;*
- *General Education Development (GED) – upgrading to meet minimum academic requirements of a high school education;*
- *Technical Entrance Preparation – intensive programs to provide entrance requirements for individuals to Alberta's technical institute programs; and*
- *University College Entrance Preparation – intensive programs to enable learners to achieve the necessary matriculation course equivalents for admission to Alberta post-secondary institutions.*

Disability Related Employment Supports (DRES) - provides employment and training supports to people with disabilities to assist them to overcome the barriers they may face in obtaining and maintaining employment.

Supports for Albertans Programs

The Department provides the following programs and services to help Albertans with lower incomes meet their basic needs and move into the workforce:

Income Support provides financial benefits to individuals and families who do not have the resources to meet their basic needs, such as food, clothing and shelter. The level of assistance varies depending on each individual's situation including financial resources, ability to work and the number of children in the family. People who are eligible for Income Support also receive health benefits for themselves and their dependants, information and training to find a job and help to obtain child support payments. People in three general situations may qualify for Income Support:

- *Not Expected to Work – Income Support benefits are provided to individuals and their families where all adults in the household are not expected to work because of disabilities or multiple barriers to employment.*
- *Expected to Work and Working – Income Support benefits are provided to individuals and their families where at least one adult in the household is able and available to work. This includes those individuals who are in transition, people who are working, people who are in short-term treatment or training programs, people temporarily unable to work, those with undiagnosed mental illness or learning disabilities and people with difficult but not insurmountable employment barriers, such as deafness.*
- *Income Support for Learners – provides benefits for living allowances, tuition, books and mandatory fees for eligible learners attending approved tuition-based programs such as: Academic Upgrading, English as an Additional Language, and Integrated Training.*

The Alberta Child Health Benefit (ACHB) provides premium-free coverage for health benefits (dental, optical, prescription drugs, emergency ambulance and essential diabetic supplies) to children under 18 in families with lower income, and to dependents up to age 20 who attend high school and live with their parent(s) or guardian(s).

The Alberta Adult Health Benefit (AAHB) provides premium-free health benefits (dental, optical, prescription drugs, emergency ambulance services and essential diabetic supplies) to former Income Support clients who leave the program for employment or clients with a severe disability who are no longer eligible for Income Support. AAHB is also provided to clients who leave the Assured Income for the Severely Handicapped program and have income from employment, self-employment, or the Canada Pension Plan Disability program. The AAHB is also available to women during pregnancy and to households with high ongoing drug costs in relation to income, if their household incomes are within the AAHB qualifying income levels.

Child Support Services (CSS) assists single parents and parents of blended families obtain child support agreements or court orders. CSS also registers the agreements or orders for enforcement, collection and disbursement with the Maintenance Enforcement Program of Alberta Justice. The additional income that child support provides makes it easier for these parents to stay in the workforce. Those receiving Income Support and the Alberta Adult Health Benefit are automatically eligible for help through CSS. Help with child support is also available to other eligible Albertans with lower incomes.

Core Business Two: Immigration

The Department of Employment, Immigration and Industry attracts and welcomes newcomers into Alberta to primarily offset labour and skills shortages. Alberta's newcomers – both from other provinces and from other countries – will add to the diversity of our population as they are welcomed and settled into our communities. The core business of Immigration encompasses international immigration of permanent residents, temporary foreign workers, foreign students and inter-provincial migration to Alberta. Services to these groups are provided through the Department's Immigration Programs.

Immigration Programs

The Department provides information about the immigration process for Canada and Alberta, as well as the following programs and services designed to help new Albertans before and after they arrive in the province:

Settlement Services and Enhanced Language Training provides settlement and language assessment services to new immigrants, develops innovative approaches to meet their language training needs and supports their integration into Alberta's communities.

International Qualifications Assessment Services (IQAS) evaluates the qualifications of individuals who obtained their education abroad and issues certificates of comparison to educational standards in a Canadian province.

The Alberta Immigrant Nominee Program (AINP) is an immigration program operated by the Government of Alberta in conjunction with Citizenship and Immigration Canada. The AINP expedites the permanent resident application process for workers in professions designated as critical to the Alberta economy.

International Marketing involves occupationally and geographically targeted recruitment missions initiated by Alberta industry and government. It is supported by in-market initiative specific contractors who target short-term niche markets. Foreign market consultants are engaged to identify emerging opportunities and develop tactical plans to attract temporary foreign workers, permanent residents, seasonal workers and inter-company transferees.

English as an Additional Language (EAL) tuition is provided through private and public institutions to deliver classroom training to adults acquiring English as an additional language.

Bridging programs help immigrants with prior work experience or education to bridge the gaps in knowledge or skills needed to gain entry to their occupation or a related field in Alberta. There may be a language training component but the focus is primarily on skills training.

Living Allowance for Immigrant Programs provide monthly benefits to eligible adults who participate in employment and training programs for immigrants. The benefit rates and eligibility criteria are the same as those available under Income Support for Learners.

Core Business Three: Industry

The Ministry, including both the Department and its entities, works with industry and communities to enhance sustainable economic development, competitiveness, innovation and productivity, and to promote fair, safe and healthy workplaces.

DEPARTMENT OF EMPLOYMENT, IMMIGRATION AND INDUSTRY

The Department supports this core business through its Business, Industry and Investment; Rural and Regional Development; and Fair, Safe and Healthy Workplaces Programs:

Business, Industry and Investment Programs

The Department acts as a catalyst for increased capacity, competency, and competitiveness of Alberta industries by being an advocate for investment attraction, business development, diversification, innovation and partnerships.

Investment and Industry Development programs improve company competitiveness and productivity by supporting industry innovation, technology adoption, and process improvement. This includes: encouraging the adoption of technology, technology commercialization, improving business practices/processes (e.g., Lean Enterprise Assessment Program), and assisting Alberta companies to match/develop capabilities to market opportunities. Sector teams partner with industry clients and other stakeholders to improve the competitiveness of Alberta's industry sectors.

Workforce Partnerships ensure working Albertans continue to enhance their skills in order to contribute to Alberta's economic growth or to respond to skills shortages through collaborative efforts with industry, community partnerships, employer groups, organizations, industry sectors and municipalities with common labour market needs. Workforce Partnerships program elements include:

- *Labour Market Partnerships (LMP) Program - enhances workplace human resource development and labour market adjustment strategies through community partnerships.*
- *Workforce Attraction and Retention Partnerships (ARP) Program - assists employers and employer associations to take timely and direct action to attract and retain workers.*

Rural and Regional Development Programs and Initiatives

Managing and sustaining the province's growth and development is a major priority of the Alberta government. Currently, Alberta employs a number of economic and infrastructure development strategies designed for rural communities, communities in various economic indicator regions across the province and industry sectors such as manufacturing. Alberta's development strategies have been created with sustainable growth in mind to ensure continued prosperity. The Department provides support through the following programs:

Rural Development supports the implementation of the Rural Development Strategy with an emphasis on collaboration with key stakeholders. In partnership with rural organizations, communities and regions, the Ministry provides support and leadership to rural projects and organizations as well as working with and monitoring Rural Alberta's Development Fund.

Regional Development through its Edmonton Corporate Office and 11 regional offices provides Alberta's Regional Economic Development Alliances (REDAs) with staff and financial resources to assist member communities with their efforts to achieve long-term economic viability and prosperity. Regional Development also supports The Business Link to deliver business information to Alberta small and medium sized enterprises, and AlbertaFirst.com to provide business directory and community profile information online.

Fair, Safe and Healthy Workplaces Programs

The Department works with government, industry and labour stakeholders to develop joint strategies and provides the following programs and services to ensure Alberta has fair, safe and healthy workplaces:

Mediation Services promotes positive and productive relationships between labour and management in Alberta by assisting parties to resolve collective bargaining disputes. Mediation Services appoints mediators in accordance with Alberta's legislation, which provides that mediation is mandatory before parties are legally permitted to strike or lockout. Mediation Services also appoints grievance arbitrators to resolve differences arising over the interpretation, application or perceived violation of a collective agreement.

Labour Relations Policy and Facilitation provides employers, employees and unions with facilitation, education and relationship-building services along with an effective labour relations legislation framework that increases the capacity of Alberta's workplaces to address employment issues without resorting to third party intervention or job action.

Professions and Occupations administers the governing legislation of regulated professions and occupations (excluding health, teaching and legal professions), undertakes the licensing and regulation of Alberta land agents, and manages the implementation of inter-jurisdictional labour mobility initiatives and agreements. It also addresses inquiries and complaints respecting regulated professionals, professional regulatory organizations and Land Agents.

Workplace Health and Safety Legislation, Policy and Technical Support is responsible for ensuring the *Occupational Health and Safety Act, Code* and *Regulation* support meaningful and productive standards of practice. It also supports work with industry partners to encourage employers and workers to build effective health and safety programs. Staff work with external organizations (e.g., Canadian Standards Association) to develop standards for identifying and controlling hazards, codes of practice, safety operating procedures, and to communicate health and safety information. Staff also develop and provide industry, employers and workers with health and safety informational material. The Work Safe Alberta initiative promotes a culture of health and safety in Alberta workplaces.

Workplace Health and Safety and Employment Standards Compliance conducts inspections of Alberta work sites to ensure compliance with the *Occupational Health and Safety Act, Code and Regulation*, and the *Employment Standards Code and Regulation*. Department staff investigate complaints that have been lodged and perform proactive inspections. Staff also investigate work site incidents and fatalities which can result in prosecutions for serious violations of legislation.

Partnerships in Health and Safety is based on the premise that when employers and workers voluntarily build effective health and safety programs in their own workplaces, the human and financial costs of workplace injuries and illnesses will be reduced. It is a province-wide injury prevention program that promotes workplace health and safety through voluntary partnerships with industry groups, safety associations, education institutions, labour organizations and employers. A Certificate of Recognition (COR) is provided to employers who have developed health and safety programs and practices that have met established standards. Achieving and maintaining a valid COR is required to earn a financial incentive through the Workers' Compensation Board's Partners in Injury Reduction program.

Employment Standards Education programs and associated services provide information and education to employers and employees on minimum standards of employment, including rights and obligations of minimum wage, hours of work, overtime, general holidays, vacation, termination and employment of adolescents. Department staff conduct educational activities and work with industry partners to promote voluntary compliance with the *Employment Standards Code and Regulation*.

Each of the Ministry's entities also contributes to the achievements of the Industry Core Business.

ALBERTA ECONOMIC DEVELOPMENT AUTHORITY

The **Alberta Economic Development Authority (AEDA)** is a partnership that provides the province's business community with a direct working link to the Alberta government. A network of business and industry sectors made up of private sector volunteers work with government to attract investment, promote Alberta opportunities and help generate more wealth and employment for Alberta. AEDA provides a voice for large and small business and strives to ensure industry needs are addressed when policy is developed. It provides advice on economic development issues to help shape policies and strategies to benefit the economy and to increase Alberta's ability to create new opportunities at home and abroad. This 'unique in Canada' partnership between public and private sectors enhances Alberta's ability to grow and prosper in all economic areas.

NORTHERN ALBERTA DEVELOPMENT COUNCIL

The **Northern Alberta Development Council (NADC)** is a regional development council that focuses on advancing the development of the northern economy. It is made up of a 10 member-council led by an MLA Chair. The mission of NADC is to identify and implement measures that will advance northern development, as well as advise government on opportunities and issues. NADC is involved with projects and initiatives in transportation, value-maximization agriculture, tourism, inter-jurisdictional projects and educational initiatives, including bursaries to assist post-secondary students who would consider living and working in the North after graduation.

ALBERTA LABOUR RELATIONS BOARD

The **Alberta Labour Relations Board (ALRB)** is a quasi-judicial body responsible for the application and interpretation of Alberta's labour relations laws. Both the Minister and the Deputy Minister maintain an arm's-length relationship with ALRB.

APPEALS COMMISSION FOR ALBERTA WORKERS' COMPENSATION

The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) is a quasi-judicial body that is the final level of appeal for decisions of the Workers' Compensation Board. It operates at arm's-length from the Workers' Compensation Board and the government.

WORKERS' COMPENSATION MEDICAL PANELS

Workers' Compensation Medical Panels provide the Workers' Compensation Board – Alberta and the Appeals Commission for Alberta Workers' Compensation with an impartial and independent decision-making process to resolve medical issues relating to Workers' Compensation claims. Each panel is made up of three physicians with specialized knowledge of the medical area in dispute.

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

The mandate of the **Occupational Health and Safety Council** is to advise the Minister of Employment, Immigration and Industry on matters concerning the *Occupational Health and Safety Act* and on matters related to the health and safety of Alberta workers. In addition, the Council is empowered to hear appeals of orders issued by Occupational Health and Safety Officers, maintain the *Occupational Health and Safety Code*, and perform related duties and functions that may be assigned by the Minister.

Department of Employment, Immigration and Industry

Overview of Divisional Functions

The **Department of Employment, Immigration and Industry** consists of six divisions:

- Corporate Services
- Delivery Services
- Immigration, Economic and Rural Development
- Labour Standards and Workplace Safety
- Strategic Services and Information
- Workforce Supports

Each division is supported by Employment, Immigration and Industry (EII) Communications. All divisions have key activities relative to EII's core businesses and provide support to projects across multiple ministries.

Corporate Services Division

Corporate Services supports all business areas in the Ministry through:

- Developing budgets and forecasts and conducting financial analysis;
- Providing strategic, tactical and operational human resource services;
- Leading development and management of all information technology assets;
- Providing guidance over our clients' appeal process; and
- Managing information by balancing transparency and privacy.

Delivery Services Division

Delivery Services is composed of staff in 59 Service Access sites and 16 Alberta Job Corps sites across the province and Centrally Delivered Services' Contact Centres. This division is the primary contact point for Albertans in accessing most of EII's programs, services and information. Delivery Services helps:

- Albertans find and maintain jobs;
- Employers meet their needs for skilled workers; and
- Albertans with lower incomes by providing financial and health benefits and child support services.

Immigration, Economic and Rural Development Division

Immigration, Economic and Rural Development has staff working in various parts of the province. The division:

- Advocates and is a catalyst for new investment, increased competitiveness, value-added industry development and productivity within Alberta's key manufacturing and service sectors;
- Co-ordinates economic policy efforts and resources;
- Provides Alberta's regions and communities with information and support to achieve rural and regional economic viability and prosperity;
- Provides settlement and integration services for immigrants;
- Administers the Alberta Immigrant Nominee Program;
- Markets Alberta as a destination of choice for newcomers; and
- Supports the Alberta Economic Development Authority, Northern Alberta Development Council, as well as Rural Alberta's Development Fund and Regional Economic Development Alliances.

Labour Standards and Workplace Safety Division

Labour Standards and Workplace Safety has policy and delivery staff working across the province in 14 Service Access sites developing and implementing legislation, policy and programs so Alberta has a fair, safe and healthy work environment. This involves legislation, policy and programs and services in:

- Employment Standards;
- Labour Relations and Mediation;
- Workplace Health and Safety; and
- Professions and Occupations.

Strategic Services and Information Division

Strategic Services and Information provides strategic advice, information and planning to support policy development and evidence-based decision making. The division is responsible for:

- Intergovernmental relations;
- Legislative services;
- Business planning and reporting, and associated strategic accountability activities;
- Developing EII's information resources and managing the Alberta Learning Information Service website; and
- Supporting the data and evaluation needs of EII and establishing the new Office of Statistics and Information.

Workforce Supports Division

Workforce Supports creates innovative and effective policies to help:

- Albertans with lower incomes meet their basic needs;
- Under-represented groups, such as Aboriginal people and persons with disabilities, develop skills and increase their labour force participation;
- Industry develop a skilled and productive workforce that meets the changing needs of the growing economy; and
- Support advancing and addressing women's issues.

The division is responsible for policy and program development related to employment and training services, health benefits, child support services and income support for Albertans with lower incomes and ensures Albertans have the skills, supports and information they need to succeed in the labour market.

Communications

Communications supports government, and the Ministry of EII with:

- Issues management;
- Promotion of department programs and initiatives through communications planning;
- Media relations and advertising;
- Effective public information materials; and
- Advice and support on writing, communications planning, and the government visual identity program.

Summary of Key Activities

This section includes a summary of Employment, Immigration and Industry's key activities in relation to the Government of Alberta's priorities, which were included in Premier Stelmach's mandate letters to his Cabinet ministers. Included in the key activities are improvements in operating efficiency, consultative processes, program initiatives, and legislative and policy changes.

Summary of Key Activities

In December 2006, the Premier issued mandate letters to his Cabinet ministers, which outlined priorities and issues to be addressed through each Ministry. Each letter detailed specific priorities and tasks the Premier expected to be accomplished so that the Government of Alberta would achieve its collective goals. Employment, Immigration and Industry's (EII) four mandated priorities included: developing a 'Made in Alberta' immigration strategy; continuing to implement the Comprehensive Labour Strategy; continuing to make progress on *Alberta's Rural Development Strategy*; and establishing an official Office of Statistics and Information. In addition, EII identified two other strategic priorities: sustaining the economic growth and prosperity of Alberta; and consolidating and streamlining Alberta's workplace legislation related to employment standards, labour relations and occupational health and safety.

The following contains a description of EII's strategic priorities and their corresponding key activities.

Government Priority – Managing Growth Pressures

1. **'Made in Alberta' Immigration Strategy**

   Linkage:
   Goal 2 and 3

Description:

As part of the Comprehensive Labour Strategy, the Ministry will also develop a 'Made in Alberta' immigration strategy to help meet Alberta's labour market needs. It will include improvements to the Alberta Immigrant Nominee and Temporary Foreign Worker programs, as well as marketing, recruitment and settlement initiatives.

Activities:

- EII negotiated and signed a new Agreement for Canada-Alberta Cooperation on Immigration, which means Alberta was able to: nominate more immigrants for quicker processing by the federal government, implement a pilot project to speed up the entry of foreign health-care professionals, and take steps to make it easier to attract foreign workers to meet the growing labour force demands.
- EII developed and implemented an expanded Immigration Marketing Strategy, which included international market research, government-led expanded labour attraction initiatives, core marketing materials and tools, and initiatives specifically targeting healthcare recruitment priorities as a component of the Health Workforce Action Plan.

Government Priority – Managing Growth Pressures

2. Comprehensive Labour Strategy

Linkage:
Goals 1, 2, 3 and 5

Description:

The economy can only be sustained if Alberta has the right people with the right skills at the right time to do the work. The Ministry continued to implement Alberta's Comprehensive Labour Strategy, *Building and Educating Tomorrow's Workforce*, by working with partners and stakeholders to help ensure the availability of a skilled and productive workforce to meet Alberta's economic growth, now and in the future. In particular, the Ministry will develop a First Nations and Métis skills, training and labour force development strategy, as well as specific industry sector strategies such as tourism and hospitality, construction, manufacturing, energy, and mining to address labour shortages. The Ministry will also work to develop and implement a comprehensive labour sub-strategy to secure and retain health professionals in the province.

Activities:

- EII completed the implementation of new workforce strategies for four industry sectors: Tourism and Hospitality, Energy, Manufacturing and Construction. The Ministry also partnered with industry associations and employers to address labour and skill shortages in each of these sectors.
- EII partnered with Aboriginal groups, Indian and Northern Affairs Canada and industry to deliver First Nations Training to Employment and Aboriginal Training to Employment programs in areas such as health care aide training, petroleum land administration, heavy equipment operation, firefightir g, logging and emergency medical response.

Government Priority – Build a Stronger Alberta

3. Rural, Regional and Northern Development

Linkage:
Goals 1, 2, 3 and 4

Description:
Alberta is a great province only if everyone can share in its economic prosperity regardless of where they live. The Ministry continued to make progress on *A Place to Grow: Alberta's Rural Development Strategy* by considering opportunities in bio-energy, tourism and community development and capitalizing on the economic opportunities for rural and northern Alberta. It will also collaborate with other ministries, the Alberta Economic Development Authority, Regional Economic Development Alliances, the Northern Alberta Development Council and other stakeholders to promote and advance rural and regional development and support small and medium sized enterprises throughout the province.

Activities:

- EII enhanced support to two northern regions of Alberta with the establishment of a regional development office in High Prairie and the development of two new Regional Economic Development Alliances (REDAs): Lesser Slave Lake Economic Alliance and Regional Municipality of Wood Buffalo. There are now a total of 14 REDAs in the province.
- *Report on Progress: Alberta's Rural Development Strategy* was released and highlighted achievements in nine priority areas.

Government Priority – Govern With Integrity and Transparency

4. Establishing an Office of Statistics and Information

Linkage:
Goals 1, 2, 3, and 4

Description:
Good and reliable information and data are key to planning, making informed decisions and developing the policies needed to sustain economic performance so current and future generations of Albertans can enjoy living, working and doing business in this prosperous province. The Ministry established an Office of Statistics and Information to consolidate official statistics and other key government data to better support the efficient and strategic management and dissemination of information for policy development and decision making.

Activities:

- EII established the Office of Statistics and Information and launched a prototype online data and information portal, called *datalink*. This portal connects public service and community stakeholders with the data and analysis available to help make informed decisions while ensuring that all privacy and security requirements are addressed.
- EII completed the initial development of a suite of Alberta Official Statistics and established a cross-ministry task team to develop consensus on population statistics.

Government Priority – Build a Stronger Alberta

5. **Sustained economic growth and prosperity of Alberta**

Linkage:
Goals 1, 3, 4 and 5

Description:
Sustainable economic growth is the foundation to support Albertans' priorities of a better quality of life for all Albertans, a higher standard of living, and greater opportunities for Albertans to achieve their dreams. To achieve sustainable economic performance, Alberta's value-added strategy *Securing Tomorrow's Prosperity*, aims at keeping Alberta's economic base competitive and knowledge-driven. The strategy endeavours to raise awareness within industry and government of the importance of continued productivity gains by supporting industry innovation, technology adoption and process improvement. *Building and Educating Tomorrow's Workforce* and the *Alberta's Rural Development Strategy* also support this strategic priority.

Activities:

- EII assisted industry to further invest in value-added activity in the energy sector. For example, in collaboration with Alberta Energy, EII began designing a bitumen in-kind policy to facilitate value-added development of Alberta's oilsands.
- EII continued facilitating expansion in Alberta's Industrial Heartland, and encouraging growth in other value-added sectors, such as machinery, equipment and building products.

Government Priority – Managing Growth Pressures

6. **Employment Standards, Labour Relations and Occupational Health and Safety**

Linkage:
Goals 5, 6 and 7

Description:
It is important that all employees go to work in an environment where their safety and health is protected, where they are treated with respect and they are compensated fairly for the job they are doing. This will result in an attractive workplace that possesses a spirit of harmony for both employees and employers, and further positions Alberta companies to be competitive in the global economy. To meet the changing needs of employers and employees, the Ministry will review Alberta's legislation governing the workplace with the aim of consolidating and streamlining laws related to employment standards, labour relations and occupational health and safety.

Activities:

- EII explored the possibility of consolidating Employment Standards, Labour Relations and Occupational Health and Safety legislation.

Results Analysis

Employment, Immigration and Industry

Results Analysis

- Message from the Deputy Minister
- Auditor General's Report on Performance Measures
- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion
    - **Core Business 1: Employment**
        - Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta
    - **Core Business 2: Immigration**
        - Goal 2: Alberta is able to attract workers to the province
    - **Core Business 3: Industry**
        - Goal 3: Alberta has a competitive and sustainable economy
        - Goal 4: Alberta has strong and vibrant regions and rural communities
        - Goal 5: Alberta has a fair, safe and healthy work environment
    - **Alberta Labour Relations Board (ALRB)**
        - Goal 6: Alberta has a fair, equitable and stable labour relations environment
    - **Appeals Commission for Alberta Workers' Compensation (Appeals Commission)**
        - Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

Message from the Deputy Minister

The 2007-08 fiscal year continued to be one of growth and accomplishment for Employment, Immigration and Industry. The Ministry delivered great service to Albertans through programs supporting the labour force needs of the province, economic and rural development, health and safety of workers, immigration, helping low-income Albertans meet basic needs, Aboriginal Peoples and status of women.

In this climate of economic growth, an increase in the minimum wage ensured low income workers are not left behind; an annual review will help Alberta's minimum wage remain comparable to other provinces. As well, our Ministry assisted Albertans in need by helping them avoid eviction or securing a place to live.

Alberta's plan of action is to sustain economic growth through an adequate supply of skilled labour. Working towards this goal, the Ministry collaborated with industry partners on the release and implementation of workforce strategies for: tourism and hospitality; energy; manufacturing; and construction. These strategies are part of Alberta's comprehensive 10-year labour strategy, *Building and Educating Tomorrow's Workforce*, for developing a labour force where there are more workers, better-trained and educated workers, and innovative workplaces.

Keeping our workplaces safe and healthy continues to be an important focus for the Ministry. Through initiatives such as Work Safe Alberta, we have created a culture of awareness that has led to a lower rate of lost-time and modified work claims. Government's commitment to enforce health and safety legislation is also paramount. In 2007, courts applied the highest annual monetary penalties under the *Occupational Health and Safety Act*. This sends a strong message that as our workforce grows, safety must remain a top priority for everyone.

In 2007-08 we continued to expand on our immigration programs through overseas recruitment missions, settlement programs and the protection of temporary foreign workers in Alberta. A step in this direction was the successful establishment of offices and inspectors to help temporary foreign workers and employers understand the laws that protect all Alberta workers. Loans for upgrading skills, the launch of a new immigration website, and our health career services will help newcomers to this province to make a better life for themselves and a better future for their children.

These are just a few of the highlights from an impressive list of achievements made possible by our staff and partners working together.

Shirley Howe
Deputy Minister
Employment and Immigration

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Employment, Immigration and Industry's 2007–2008 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2007. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 13, 2008

Integrated Results Analysis

This section of the Annual Report provides a snapshot of performance results and financial information as well as a brief narrative of the Ministry's achievements for each core business.

More detailed analysis and up to two years of historical results for each performance measure are contained in the Detailed Program Results Analysis and Discussion (pages 44-84). In addition, a summary of Employment, Immigration and Industry's performance measures methodologies for the results reported in this section and the Detailed Program Results Analysis and Discussion can be found in Appendix E – Performance Measures Sources and Methodologies (pages 193-203). Please see the Financial Information (pages 85-174) for all components of the Ministry financial statements and an in-depth discussion of financial information.

Core Business 1: Employment

Investing in the skills and independence of Albertans increases their overall quality of life and the economic sustainability of the province. Employment, Immigration and Industry (EII) helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province.

This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a prosperous economy
- Goal 2 – Albertans will be well prepared for lifelong learning
- Goal 6 – Albertans will be independent and our children will be well cared for
- Goal 9 – Alberta will have strong and effective municipalities and self-reliant Aboriginal communities

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	661,377	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	705,327	
	Variance	(43,950)	

Employment and training expenses were approximately $5.4 million more than budgeted due to higher than expected utilization of career development services, basic skills training, integrated training and apprenticeship program enrolment. In addition, a significant factor in this over-expenditure was the amount spent on immigrants to Alberta participating in tuition-based programs. Additional over-expenditures of $27.2 million occurred as a result of higher than anticipated income support caseloads. As well, higher than budgeted manpower costs due to negotiated salary settlements resulted in increased expenditures of $8.6 million. Supplemental funding was allocated to Income Support programs and to program support activities to help offset budget pressures in these areas.

In 2007-08, EII successfully implemented the strategies of its Employment core business. Through numerous programs and services, EII staff in offices across the province helped Albertans develop skills, find and keep employment, and manage their careers. The Ministry also increased the attachment of Albertans to the labour market through the provision of health benefits, child support services and financial assistance to those in need.

GOAL 1 Linked to Core Business 1 – Employment

All Albertans share in and contribute to the economic prosperity of Alberta

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
1.a	Inter-provincial rank of labour force participation (#1 is the highest)	#1	✓	#1	--
1.b	Percentage of participants in skills programs employed post-intervention	80%	✓	84%	4
1.c	Percentage of participants in skills programs who indicate their training helped prepare them for future employment	82%		79%	(3)

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
1.d	Percentage of participants employed after leaving Income Support	70%		61%	(9)
1.e	Percentage of Child Support Services clients with potential for child support who have a support order or an agreement in place when the file closes	80%		77%	(3)

Integrated Results Analysis

Core Business 2: Immigration

Investing in Alberta's labour supply allows the province to meet the high demand of skilled and productive workers. EII works to ensure Alberta has a sufficient supply of workers to meet the needs of the economy now and in the future. This includes attracting and retaining other Canadians and immigrants to Alberta's workforce.

This core business supported the following goal in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a prosperous economy

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	69,700	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	51,624	
	Variance	18,076	

The Immigration core business spent $18.1 million less than budgeted due to a lower than anticipated utilization of English as an alternative language and bridging programs. Bridging programs assist immigrants to bridge gaps in knowledge or skills in order to gain entry to a specific occupation or a related occupation.

In 2007-08, EII successfully implemented the strategies of its Immigration core business. To support Alberta employers in attracting and retaining workers some of EII's initiatives included negotiating and signing a new Agreement for Canada-Alberta Cooperation on Immigration; expanding the Immigrant Nominee Program; launching the Immigrate to Alberta web portal; and providing enhanced settlement services, such as bridging and language training programs.

GOAL 2 Linked to Core Business 2 – Immigration

Alberta is able to attract workers to the province

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
2.a	Percentage of immigrants to Canada that choose Alberta as their destination	8.0%	✓	8.8%	0.8
2.b	Number of provincial nominations forwarded to the federal government	2,500		1,658	(842)
2.c	Percentage of clients who would recommend International Qualifications Assessment Services to others requiring an educational assessment	90%	✓	90%	--
2.d	Number of International Qualifications Assessment Services assessment certificates issued	4,000	✓	4,906	906

Core Business 3: Industry

Investing in Alberta's businesses, various industrial sectors and workplaces will help ensure Albertans continue to prosper through adversities that are sometimes caused by rapid economic growth. EII works with industry and communities to enhance sustainable economic development, competitiveness, innovation and productivity, and to promote fair, safe and healthy workplaces.

This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a prosperous economy
- Goal 4 – Alberta will have a financially stable, open and accountable government and maintain its strong position nationally and internationally
- Goal 7 – Alberta will be a safe place to live, work and raise families

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	122,132	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	113,236	
	Variance	8,896	

Program under-expenditures of $8.9 million in this core business resulted due to the Centre for Aircraft Certification project being deferred and lower than anticipated program development and support costs.

In 2007-08, EII successfully implemented the strategies of its Industry core business. This was accomplished through various activities including the development of value-added goods and service industries; continued collaboration with rural and regional communities to make progress on *Alberta's Rural Development Strategy*; increased support of fair, safe and healthy workplaces across the province; the provision of an independent and impartial tribunal to apply and interpret Alberta's labour laws; and finally, an effective and impartial body to hear appeals of decisions made by the Workers' Compensation Board.

GOAL 3 Linked to Core Business 3 – Industry

Alberta has a competitive and sustainable economy

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
3.a	Labour productivity: inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest)	#1	✓	#1	--
3.b	Real Gross Domestic Product of manufacturing and business and commercial services				
	• $billions	$29.7 billion	n/a	$33.8 billion	n/a
	• Per cent change	4.0%		2.5%	

n/a The dollar-value target is not applicable to current results due to the Statistics Canada base year revisions.

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
3.c	Manufacturing and service industry investment: the value of new capital expenditures on construction and machinery and equipment in Alberta's manufacturing and services industry				
	• $billions	$17.7 billion	✓	$19.8 billion	$2.1 billion
	• Per cent change	7.0%	✓	12.0%	5.0
3.d	Percentage of employers who reported no positions vacant for more than four months	72%	✓	75%	3

GOAL 4 Linked to Core Business 3 – Industry

Alberta has strong and vibrant regions and rural communities

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
4.a	Number of communities participating in Regional Economic Development Alliances and partnerships	265		261	(4)
4.b	Percent of Regional Economic Development Alliances board members satisfied with support received to help address economic development priorities in Alberta	89%		86%	(3)
4.c	Number of Alberta Economic Regions with a labour force participation rate higher than the national average	8 of 8		7 of 8	(1)
4.d	Partner satisfaction rating with the Northern Alberta Development Council's contribution in advancing northern interests	8.0	✓	8.2	0.2
4.e	Northern Alberta Development Council Bursary return rate	75%	✓	78%	3

GOAL 5 Linked to Core Business 3 – Industry

Alberta has a fair, safe and healthy work environment

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
5.a	Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)	98%	✓	98%	--
5.b	Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards	97%	✓	98%	1
5.c	Lost-Time Claim Rate: number of lost-time claims per 100 person-years worked	1.9		2.12	(0.13)
5.d	Disabling Injury Rate: number of disabling injury claims per 100 person-years worked	2.8		3.88	(1.08)

GOAL 6 Linked to Core Business 3 – Industry (Alberta Labour Relations Board)

Alberta has a fair, equitable and stable labour relations environment

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
6.a	Average number of days from the acceptance of an application to the date of the first hearing	70	✓	44	26
6.b	Percentage of applications, with Board involvement, settled before reaching a formal hearing	56%	✓	56%	--
6.c	Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s)	85%	✓	96%	11
6.d	Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s)	100%		95%	(5)

GOAL 7 Linked to Core Business 3 – Industry (Appeals Commission for Alberta Workers' Compensation)

Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
7.a	Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized:				
	• Standard Appeals	145	✓	144	1
	• Complex Appeals	210	✓	182	19
7.b	Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration	Greater than 98.0%		95.9%	(2.1)

Detailed Program Results Analysis and Discussion

This section provides a detailed discussion of the achievements and performance results of Employment, Immigration and Industry over the past year. Contained in each core business are the corresponding goals, an explanation of what each goal means, the achievements for each strategy and results for each performance measure identified in the 2007-2010 Business Plan. The Detailed Program Results Analysis and Discussion is divided into the following sections:

- **Core Business 1: Employment**
  - Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta
- **Core Business 2: Immigration**
  - Goal 2: Alberta is able to attract workers to the province
- **Core Business 3: Industry**
  - Goal 3: Alberta has a competitive and sustainable economy
  - Goal 4: Alberta has strong and vibrant regions and rural communities
  - Goal 5: Alberta has a fair, safe and healthy work environment
- **Alberta Labour Relations Board (ALRB)**
  - Goal 6: Alberta has a fair, equitable and stable labour relations environment
- **Appeals Commission for Alberta Workers' Compensation (Appeals Commission)**
  - Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

Core Business 1: Employment

Core Business 1: Employment

GOAL 1 Linked to Core Business 1 – Employment

All Albertans share in and contribute to the economic prosperity of Alberta

What it means

Skilled and productive Albertans are critical to achieving economic prosperity and a high quality of life. Alberta's labour market is dynamically changing with the province's economic growth, technological advances and emerging new industries. Through *Building and Educating Tomorrow's Workforce*, the Ministry will strive to ensure all Albertans who are able to participate in the labour market are given that opportunity to do so to their full potential. All Albertans will continue to be supported in acquiring the knowledge, skills and resources needed to participate in current and future opportunities. The Ministry also proactively assists Albertans facing adversity (e.g., Aboriginal Peoples, persons with disabilities and victims of family violence) so that they can participate in the social and economic life of Alberta. In addition, the Ministry provides health benefits, child support services and financial assistance to help Albertans with low income be as independent as possible, move to employment and stay in the labour force.

Strategy 1.1

Help Albertans develop skills, find and keep employment, manage their careers and adapt to the changing labour market by providing information, programs and services.

Employment, Immigration and Industry (EII) worked throughout 2007-08 to ensure that all Albertans who are able to participate in the labour market were given the opportunity to do so to their full potential. This was accomplished through the provision of a wide range of career information, employment preparation tools, skills training and job placement services through a network of worksites, contracted training providers and post-secondary institutions. These services provide job seekers with direct access to employment opportunities so they are able to obtain and maintain employment in their field of training.

Examples include: the delivery of hands-on skill development training through EII's 16 Alberta Job Corps sites; occupation-specific training; the Youth Apprenticeship Program to introduce youth to trades; the Sunchild e-learning pilot, which funds adult learners to take full-time and part-time e-learning upgrading studies; over 80 Career Corners in local schools; and the Careers in Motion mobile career centre that tours the province to bring Albertans job search and training information.

In 2007-08, the Canada-Alberta Job Order Bank Service website continued to be a popular tool for employers and job seekers alike. There were substantial increases in the following areas compared to the previous fiscal year: 178,660 (154,000 in 2006) jobs were posted on the website, 12,356 (9,600 in 2006) successful job matches were performed by employers, and 28,608 (19,000 in 2006) accounts were created by job seekers using Job Match.

The Ministry also drafted a Workplace Essential Skills Policy Framework and implemented two training projects for the Workplace Essential Skills Training (WEST) program. WEST supports essential skills training in the workplace for working Albertans through the development of employer partnerships, which are designed to foster a confident, innovative and highly literate workforce. Workplace essential skills allow people to perform tasks at work, learn new skills and adapt to workplace change. Workplace essential skills include reading text, document use, writing, working with numbers (numeracy), oral communication, thinking, working with others, computer use and continuous learning.

In addition, the Ministry made additional performance measurement information available to Training Providers through *datalink* in order to improve the quality of Skills Training Programs.

Strategy 1.2

Continue to support labour market programs designed for the Aboriginal population and create partnerships with Aboriginal communities including First Nations on-and off-reserve, Aboriginals, Métis and Inuit.

EII partnered with Aboriginal groups, Indian and Northern Affairs Canada (INAC) and other stakeholders to increase Aboriginal participation in Alberta's prosperity. For example:

- The First Nations Training to Employment and Aboriginal Training to Employment programs support partnerships between First Nations, Métis and other Aboriginal communities, industry/employers and government to create training and work experience projects leading to employment for Aboriginal people. EII supported 57 projects in areas such as: health care aide training, petroleum land administration, heavy equipment operation, firefighting, logging, customized construction and renovation, drilling rig hand training, class 1 truck driving, security, early childhood development, and emergency medical response;
- To help reduce social dependency and increase labour force participation, the Alberta Job Corps program increased training opportunities for individuals living on-reserve with bands such as Beaver Lake Cree Nation and Whitefish Lake First Nations (Goodfish); and
- The First Nations Labour Force Planning Initiative provided funding to 12 First Nations and one Aboriginal organization to support a variety of strategic activities including: the development of a community skills inventory and a common labour force database; environmental scans of business and industry activities/opportunities; and the development of an integrated service model. Support was also offered to five Aboriginal communities (Whitefish/Goodfish, Piikani Nation, Peerless Lake, Blood Tribe and Aseniwuche Winewak Nation) to participate in Alberta Sustainable Resource Development's Aboriginal Junior Forest Ranger program as a means to engage Aboriginal youth in forestry.

EII also continued to prepare and release the Aboriginal Labour Force Survey on a monthly basis. The information included in this package is for all off-reserve Aboriginal people, North American Indians and Métis. The working age population, labour force, employment, unemployment and corresponding rates are a few of the items included.

Strategy 1.3

Enhance the skill level and labour force participation of under-represented groups such as youth, immigrants, persons with disabilities, Albertans with low income and older workers.

EII continued to be responsive and provided various programs and services to assist under-represented Albertans to develop skills and increase their labour force participation. Examples include:

- The delivery of services through 37 Youth Connections sites;
- Exposure to trades through 15 regional Skills Canada Alberta (SCA) competitions. The SCA is a not-for-profit provincial association, which serves as a critical link between employers, educators, labour groups and the government to reposition trade and technical careers as a first choice career option for youth in Alberta;
- The Québec/Alberta Student Employment Exchange Program and Summer Temporary Employment Program;
- Youth Summer Program on safety and trades with youth from Kikino, Buffalo Lake and Calling Lake;
- Disability Related Employment Supports assessment services to assist with training and work accommodations for persons with disabilities;
- The opening of two Health Career Centres for internationally educated health professionals housed at the Bredin Institute in Edmonton and at Bow Valley College in Calgary;
- English as an Additional Language training programs throughout the province;
- Immigrant bridging programs in occupations such as accounting, engineering and pharmacy. Bridging programs help immigrants with prior experience or education in a specific occupation bridge gaps in knowledge or skill in order to gain entry to that occupation or a related occupation;
- The Women Building Futures program, which provides training in the trades and employment support for women; and
- Forums and workshops for mature workers.

The Ministry released the *Mature Workers in Alberta and British Columbia: Understanding the Issues and Opportunities* discussion document, which considers best practices for the ongoing engagement of mature workers in the labour force.

Strategy 1.4

Help individual Albertans succeed in the labour market by developing and publishing career and labour market information products, resources and on-line services.

EII completed the following phases of the Alberta Learning Information Service (ALIS) website redesign project: systems analysis and requirements definition, systems design and systems development. These changes lay the ground work for the redesign project in an effort to improve the way ALIS provides career, learning and employment information and services to Albertans.

In addition, EII provided Albertans with print and electronic information in the Labour Market Information Centres and also at job and career fairs. EII also developed regional labour market information newsletters, websites and the *Finding Work at...* publications.

The Annual Information Resources Plan for career, labour market and workplace information was also developed and implemented. The plan included major updates to information resources such as *CERTinfo*; *EDinfo*; and *WorkAbility*: *What You Need to Get & Keep a Job*. It also included new resources for parents, workers and employers, such as *Career Coaching Your Teens*; *Employee or Contractor? Know the Difference*; and *Employing a Diverse Workforce: Making it Work*.

Strategy 1.5

Support Albertans in need, learners who are improving their skills through training and Albertans escaping family violence through the provision of income support.

EII worked with women's shelters, women's outreach agencies, family violence action committees and prevention programs to provide responsive and timely supports to individuals experiencing family violence.

The Ministry also continued to assist Albertans in need and promote attachment to the labour force. Amendments were made to the *Income and Employment Supports Act*, which increased accessibility to full and part-time training by increasing the amount of money students have available to help them meet expenses. Other changes include increasing bursaries for part-time students from a maximum of $3,600 to $5,000 per academic year.

On behalf of Alberta Municipal Affairs and Housing, EII provided transitional assistance to prevent homelessness and help people stabilize shelter arrangements through the Homeless and Eviction Prevention Fund. The Fund was implemented across the province on May 11, 2007. Nearly 27,000 individuals and families have accessed the Fund and more than $43 million in funding has been provided.

Strategy 1.6

Increase the attachment of Albertans to the labour market by providing health benefits to children of families with low income, and current and former income support recipients.

The Ministry continued to build on methods to enhance access to and awareness of the Alberta Child Health Benefit (ACHB) and Alberta Adult Health Benefit (AAHB). This was achieved through multiple channels such as career and job fairs, Chambers of Commerce, inter-agency/industry meetings, displays in Labour Market Information Centres, and personal contact with Albertans accessing programs and services.

EII developed a mailing process with Canada Revenue Agency and mailed over 55,000 ACHB applications and program information packages to Alberta households below ACHB income thresholds. A new AAHB category was introduced for pregnant women with lower income, and to households with high ongoing drug costs in relation to income, if their household income is within AAHB qualifying levels. Over 20,000 applications and information packages were mailed to health and community agencies in support of the *Healthy Kids Alberta!* initiative for pregnant women with lower income.

In 2007-08, a monthly average of almost 8,000 Albertans (3,722 households) received AAHB and a monthly average of 77,375 children received ACHB.

Strategy 1.7

Increase the financial independence and attachment to the labour force of Albertans with low incomes by providing child support services to help to ensure non-custodial parents provide financial support to their children.

The Ministry has increased the focus on linking under-employed and unemployed Child Support Services (CSS) non-custodial parents with EII training and career services. To increase access to additional financial resources and self-sufficiency, EII continued to promote the CSS program to Income Support Learners and Albertans with lower incomes. EII continues to explore options for research on cross-jurisdictional best practices in the area of child support.

In 2007-08, the monthly average of CSS clients served was 6,099.

Strategy 1.8

Develop a concept paper on the major social impacts of rapid economic growth in Alberta and determine appropriate action.

EII completed a comprehensive review of social infrastructure in the Capital Region of the province and produced the discussion paper, *Growth Pressures and Social Infrastructure in the Capital Region: Issues, Gaps and Conclusions*. EII also collaborated on the production of another discussion paper entitled: *Working Together: Report of the Capital Region Integrated Growth Management Plan*. To determine the capacity to sustain exceptional economic growth to 2016, the review included analysis of the following areas in the Capital Region: workforce, housing, health care, policing, emergency services (fire and ambulance), social services, child care, public education, post-secondary education and recreation.

Strategy 1.9

Advance women's equality in areas such as the prevention of violence against women and Aboriginal women's issues.

EII prepared and participated in the 26th Annual Meeting of Federal, Provincial and Territorial Status of Women Ministers, which continues to work on violence against women, Aboriginal women's issues and women's economic equality. The Ministry also collaborated with Alberta Advanced Education and Technology to promote, administer and deliver the Persons Case Scholarship for students in fields that are non-traditional for their gender and for students whose studies will advance women's equality.

EII also updated and completed the design for the new edition of the *Women's Organizations of Alberta* directory. Some of the functions of the directory include: listing organizations in Alberta that provide ongoing services and programs primarily for women; encouraging networking among women's organizations; and acting as a resource in the creation of new community-based services and programs.

Performance Measure 1.a

Inter-provincial rank of labour force participation (#1 is the highest)

The labour force participation rate represents the percentage of the working-age population that is either employed or actively seeking employment (i.e., unemployed). It provides an indication of the relative size of the supply of labour available for the production of goods and services. The inter-provincial rank of labour force participation is an indicator of Alberta's effectiveness in addressing labour force needs, relative to that of other provinces.

In 2007, the labour force participation rate for Alberta was 74.1%, which ranked first in Canada. EII contributed to the highest rate of labour force participation compared to other provinces by addressing issues related to labour force development, labour shortages, skills deficits, immigration, labour force planning, productivity enhancements, and economic development. This was achieved through the provision of a wide range of programs and services and collaboration with industry, partners and other levels of government.

Labour Force Participation Rate

	2005	2006	2007	Target	Met Target
Inter-provincial rank of labour force participation (#1 is the highest)	#1	#1	#1	#1	✓

Source: Statistics Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 1.b

Percentage of participants in skills programs employed post-intervention

Labour market employment and training programs are provided to Albertans, including Work Foundations, Training for Work, Job Placement and Apprenticeship programs. These programs prepare Albertans to obtain and maintain employment, with rapid attachment to the labour market being the desired program outcome.

In 2007-08, 84% of program participants were employed three months after they left the program. This result exceeded the target and was consistent with past results. This performance measure demonstrates EII's success in helping Albertans through career and skills development programs and services.

Participants in skills programs employed post-intervention

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of participants in skills programs employed post-intervention	83%*	85%*	84%	80%	✓

* Results for 2005-06 and 2006-07 were revised in 2008 to reflect improvements in methodology.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 1.c

Percentage of participants in skills programs who indicate their training helped prepare them for future employment

Alberta's labour market experienced dynamic changes due to the province's economic growth, technological advances and emerging new industries. Labour market employment and training

programs such as Work Foundations and Training for Work prepare Albertans to obtain and maintain employment. An expected key outcome of labour market employment and training programs is improved attachment to the workforce. This measure identifies the extent to which participants believe EII's programs and services enhance their ability to obtain employment.

In 2007-08, 79% of participants indicated that their training helped prepared them for future employment. This result was slightly lower than the target of 82%. The shortfall may reflect that some training prepares participants for further education rather than employment (e.g., Academic Upgrading). Participants may also have felt they would have obtained employment as a result of the strong economy.

Participants whose training helped prepare them for future employment

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of participants who indicate their training helped prepare them for future employment.	Foreshadowed in the 2005-2008 Business Plan	81%*	79%	82%	

* Results for 2005-06 and 2006-07 were revised in 2008 to reflect improvements in methodology.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.d

Percentage of participants employed after leaving Income Support

Through the Income Support program, EII provides financial assistance to individuals who are unable to support themselves financially. The Income Support program supports individuals and families whose income and assets are insufficient to meet their basic needs and helps increase the quality of life of Albertans with lower incomes. Income Support encourages attachment of Albertans with lower incomes to the labour market.

Income Support participants were surveyed three months after leaving the program. Out of clients who left the program between April and August 2007, 61% were employed at some time since they left the program. The booming economy created increased employment opportunities for people who might have otherwise become Income Support recipients. While caseload numbers are now remaining relatively stable, a greater percentage of those in receipt of Income Support benefits had severe or multiple barriers to employment. Those who left the program without obtaining employment likely entered new partnerships or received support from other sources (e.g., Canada Pension Plan, Employment Insurance, Assured Income for the Severely Handicapped and other disability-related income). Therefore, the 70% target was not met.

Participants employed after leaving Income Support

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of participants employed after leaving Income Support	68%	59%	61%	70%	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.e

Percentage of Child Support Services clients with potential for child support who have a support order or an agreement in place when the file closes

EII supports clients in need to maximize their financial resources. This is done in part through provision of Child Support Services, which assists single parents and parents of blended families to obtain child support agreements or court orders from non-custodial parents. Based on non-custodial parents' financial circumstances, EII ensures the amount of child support is appropriate according to the Alberta Child Support Guidelines. Where appropriate, EII ensures that support agreements are enforceable by the Alberta Justice Maintenance Enforcement Program. Income from child support agreements or court orders contributes to the financial independence of the client.

In 2007-08, 77% of Child Support Services clients had a support agreement or court order in place when their files were closed. While the result fell slightly short of the target of 80%, the current result was a four-percentage-point increase from the 2006-07 result. The target was not met as staff resources from across the Delivery system had to be reallocated to deliver other programs. However, Child Support Services staff continues to promote the benefits of the program and it is anticipated that the result will continue this upward trend.

Child support orders/agreements in place when the file closes

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of Child Support Services clients with potential for child support who have a support order or an agreement in place when the files closes	78%	73%	77%	80%	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Core Business 2: Immigration

Core Business 2: Immigration

GOAL 2 Linked to Core Business 2 – Immigration

Alberta is able to attract workers to the province

What it means

Alberta's strong economic growth is placing high demands for skilled and productive workers in our labour force. Right now, there are not enough workers to fill the demand of business and industry in the province. Over the next ten years, current forecasts indicate that the demand for workers will exceed Alberta's labour force growth predictions by 109,000 people. As part of *Building and Educating Tomorrow's Workforce*, Alberta will look beyond its borders, first to the other provinces and then to the rest of the world for people to fill the demand gap in both the short and long-term. At the same time, the Ministry provides supports and services for newcomers as they settle within our communities and move into the workforce. The Ministry also leads *Supporting Immigrants and Immigration to Alberta*, a basis for co-ordinated policy and programs for new Albertans.

Strategy 2.1

Work with institutions, employers and professional associations to encourage the recognition of credentials, competencies, prior learning and work experience of current and prospective Albertans who meet licensing requirements.

EII collaborated with Alberta Advanced Education and Technology and Alberta Health and Wellness on the identification of actions and initiatives to improve the assessment and recognition of education, skills and experience of internationally trained workers. Consultations were held with employers, professional regulatory organizations, post-secondary institutions, and immigrants and immigrant serving organizations. A What We Heard report, summarizing the results of the consultations, was distributed to participants and informed the preliminary work on the development of a comprehensive plan to recognize foreign qualifications.

International Education Guides on educational systems and qualifications in other countries were developed, allowing employers, professional licensing bodies and educational institutions to access this information online to enable informed and accurate decisions on foreign qualifications. EII published and/or researched guides for the Philippines, China, South Korea, Russia, India and the United Kingdom.

The Ministry also provided 4,906 assessment certificates to immigrants that indicated how their foreign educational credentials compared to educational standards in Alberta through the International Qualifications Assessment Service.

Strategy 2.2

Promote access to employment opportunities by reducing or eliminating inter-provincial labour mobility barriers and ensure that professional and occupational associations are governed in a way that is transparent and accountable to the public.

Proposed amendments to the *Land Agents Licensing Regulation* and the *Chartered Accountants Regulation* were prepared for and approved by the Alberta Cabinet. The *Land Agents Licensing Regulation* amendment enhances training requirements for persons wishing to become Alberta land agents. The *Chartered Accountants Regulation* amendment reflects new record retention, continuing competency and other requirements of the Institute of Chartered Accountants of Alberta.

EII also co-ordinated the Cross-Ministry Assistant Deputy Minister Steering Committee for implementation of the labour mobility provisions of the British Columbia-Alberta Trade, Investment and Labour Mobility Agreement (TILMA). TILMA enhances the ability of workers to move from one province to the other and streamlines business registration and reporting requirements. It also builds upon the prosperity in both provinces by giving businesses and workers seamless access to a larger range of opportunities in all areas, including energy; transportation; agriculture; and investment.

Strategy 2.3

Develop a comprehensive 'Made in Alberta' immigration strategy.

EII negotiated and signed a new Agreement for Canada-Alberta Cooperation on Immigration, which means:

- Alberta can increase the number of skilled immigrant nominations to be processed more quickly by the federal government;
- Alberta implemented a new pilot project to speed up the entry of foreign health-care professionals who have applied to come to Alberta;
- Enhanced cooperation between Canada and Alberta in immigration marketing initiatives; and
- A commitment for establishing mechanisms that make it easier for Alberta to get foreign workers to meet its growing labour force demands.

The Ministry also developed and implemented an expanded Immigration Marketing Strategy, which includes international market research, government-led expansion of labour attraction initiatives, and core marketing materials and tools. The Strategy also includes initiatives specifically targeting healthcare recruitment priorities as a component of the Health Workforce Action Plan.

Strategy 2.4

Assist employers in attracting and retaining labour by providing information and guidance on federal-provincial processes by marketing Alberta as a good place to live, work and grow.

EII shared information on the Alberta labour market, economy, communities, social programs and infrastructure through its regional offices, Labour Market Information Centres and Career Information Hotline.

The Ministry also delivered a series of "How to Hire Foreign Workers" seminars in Calgary, Edmonton, Medicine Hat and Lethbridge which addressed the needs of employers, industry associations, communities and intermediaries.

EII co-ordinated skilled labour missions in a number of key international markets, including North and South America, Asia and Europe. In particular, several recruitment missions in the health care sector were undertaken to Korea, Taiwan, the Philippines and the United Kingdom. Other skilled labour missions were pursued as part of EII's Immigration Marketing Strategy and included occupations such as: construction trades, engineering, oil and gas, cabinet making, hospitality, and building trades.

Strategy 2.5

Expand the Provincial Nominee Program* to support employers in meeting labour shortages.

The Alberta Immigrant Nominee Program (AINP) is a joint effort by the governments of Alberta and Canada to help ensure that valued foreign workers sponsored by their employers can become permanent residents. The AINP issued 1,658 provincial nomination certificates to the federal government in fiscal year 2007-08, representing the nomination of over 4,000 foreign nationals (principal applicant, spouses and dependents).

The list of eligible occupations under the AINP was expanded through the introduction of four new semi-skilled categories: hotel and lodging, food and beverage processing, trucking, and manufacturing industries. The Ministry also introduced a new Strategic Recruitment Stream (non-employer-driven stream), as a pilot project, for compulsory trades, engineering occupations and United States H-1B visa holders.

In order to continually expand the AINP, EII directly marketed and promoted the program to employers and foreign nationals through in-Alberta advertising. This consisted of promoting the AINP to employers within Alberta through various forms of media including the AINP website, brochures, and marketing materials. In addition, the *Alberta Awaits* newsletter, mail outs and phone calls were distributed and made to all Alberta companies with current Labour Market Opinions.

* Note: On June 19, 2008, the Alberta Provincial Nominee Program (PNP) became the Alberta Immigrant Nominee Program (AINP). Throughout this report, we refer to the program as the Alberta Immigrant Nominee Program (AINP).

Strategy 2.6

Assist foreign nationals in accessing labour market information about Alberta and the processes to access employment opportunities, prior to coming to Alberta.

EII developed and officially launched the *Immigrate to Alberta* online immigration web portal to attract new immigrants to Alberta and help make an effective transition to their new home. The albertacanada.com/immigration website is a one-stop destination for information on opportunities in Alberta, the immigration process and getting settled in the province.

Throughout 2007-08, there was a constant addition of jobs to the Jobs in Alberta database. This helps employers with Labour Market Opinions to connect employers and foreign workers. The Alberta Foreign Worker Hotline, which provides direct access to information related to immigration to Alberta, temporary residency in Alberta, and the process of hiring foreign workers, received 14,571 inquiries during the fiscal year.

The Ministry also profiled opportunities in Alberta immigration trade shows, recruitment events and other promotions related to immigration and temporary foreign workers.

Strategy 2.7

Ensure settlement services, bridging programs and language training services effectively support the integration of newcomers into Alberta.

One of EII's strategic directions to support the integration of newcomers into Alberta includes an increase in training opportunities for immigrants including a greater emphasis on English as an Additional Language (EAL) training. Since April 2007, EII has offered an array of Immigrant Bridging Programs that help immigrants with prior experience or education bridge gaps in occupations such as accounting, engineering, teaching, pharmacy and trades as well as increased opportunities for EAL training. In addition, an increase of approximately $470,000 was provided to settlement agencies throughout the province. Immigrant-Serving Agencies support immigrants in their new communities and provide a number of services to help them make the transition to life in Alberta.

In support of the Health Workforce Action Plan, EII opened two Health Career Centres to help internationally educated health professionals navigate the registration and licensure processes and eventually be able to practice in their field or a complementary profession.

EII also focused its community engagement framework on the "Small Centres Toolbox" initiative, which assists communities in preparing for newcomers. This included supporting individual communities as they expressed interest in "welcoming" projects and activities.

Performance Measure 2.a

Percentage of immigrants to Canada that choose Alberta as their destination

Alberta benefits greatly from the contributions immigrants make to the economic, social and cultural life of the province. In addition, Alberta's vibrant economy and excellent quality of life make it the ideal place in Canada for immigrants to find employment, to find business investment opportunities, and to settle and raise their families. The percentage of immigrants to Canada that

chose Alberta as their destination increased from 8.2% in 2006 to 8.8% in 2007, surpassing the target of 8.0%.

The Ministry provided a number of useful resources for immigrants to guide them through the immigration process before and after arriving in the province. For example, in 2007-08, EII marketed the province as a preferred destination for immigrants; a new Immigrate to Alberta web portal provided one-stop information on immigration matters; the Alberta Immigrant Nominee Program was expanded to nominate more prospective immigrants to the federal government for fast-tracked permanent residency; and settlement services, English as an Additional Language programs, bridging programs and the International Qualifications Assessment Service assisted immigrants to integrate into life in Alberta.

Immigrants to Canada that choose Alberta as their destination

	2006-07	2007-08	Target	Met Target
Percentage of immigrants to Canada that choose Alberta as their destination	8.2% (2006)	8.8% (2007)	8.0%	✓

Source: Citizenship and Immigration Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 2.b
Number of provincial nominations forwarded to the federal government

The Alberta Immigrant Nominee Program (AINP) helps skilled workers obtain their permanent residence status from Citizenship and Immigration Canada (CIC). AINP significantly reduces the processing time for permanent residence of skilled foreign workers. This program contributed to addressing Alberta's skilled labour shortages as it enabled employers to recruit and retain foreign workers to fill skilled positions in their occupations.

This measure examines the number of provincial nominations AINP forwarded to CIC in a given year, which provides insight into the success of the program. In 2007-08, AINP nominated 1,658 individuals to CIC, a 69% increase from the 981 nominations issued last fiscal year. The target of 2,500 nominations was established as a stretch target because of the Ministry's emphasis on attracting skilled workers to Alberta.

This performance measure result was encouraging, considering increased international competition for immigrants. In addition, some Alberta employers delayed their submission of provincial nominee candidate applications to the AINP due to changes made by the federal government to the Temporary Foreign Worker program. The federal government extended work permits for semi-skilled occupations from one year to two years. With the previous one-year work permit, employers chose to nominate Temporary Foreign Workers to the AINP after six months. However, with the recent work permit extension, many of the employers chose to wait one- to one-and-a-half years to support the nomination of their eligible Temporary Foreign Workers to the AINP.

Provincial nominations forwarded to the federal government

	2005-06	2006-07	2007-08	Target	Met Target
Number of provincial nominations forwarded to the federal government	522	981	1,658	2,500	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 2.c

Percentage of clients who would recommend International Qualifications Assessment Services to others requiring an educational assessment

In 2007-08, 90% of International Qualifications Assessment Services (IQAS) clients reported that they would recommend IQAS to others, which met the established target. An IQAS evaluation is for individuals looking for recognition of their educational credentials obtained outside of Canada. IQAS issues assessment certificates that show prospective employers, professional associations and post-secondary institutions how international educational credentials compare to Alberta's educational standards. A client's willingness to recommend programs to others is an indicator that fair assessments are being provided to clients; the assessments are useful; and clients are satisfied.

Clients who would recommend International Qualifications Assessment Services to others requiring an educational assessment

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of clients who would recommend International Qualifications Assessment Services to others requiring an educational assessment	89%	Data Collected Biennially	90%	90%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 2.d

Number of International Qualifications Assessment Services assessment certificates issued

In 2007-08, IQAS issued 4,906 assessment certificates to immigrants that indicated how their foreign education compared to educational standards in Alberta. IQAS assessment certificates may help immigrants enter the labour market, gain membership in professional licensing bodies and admission into post-secondary institutions.

International Qualifications Assessment Services assessment certificates issued

	2005-06	2006-07	2007-08	Target	Met Target
Number of International Qualifications Assessment Services assessment certificates issued	3,596	4,881	4,906	4,000	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Core Business 3: Industry

Core Business 3: Industry

GOAL 3 Linked to Core Business 3 – Industry

Alberta has a competitive and sustainable economy

What it means

Employment, Immigration and Industry is well-positioned to set the long-term strategic direction for value-added industry and economic development for Alberta. The Ministry works with the Alberta Economic Development Authority, industry, businesses, communities and the Regional Economic Development Alliances to make Alberta globally competitive in priority sectors by promoting initiatives to attract investment and improve company competitiveness, capacity, competency and productivity. Employment, Immigration and Industry also works with individuals and companies to secure and retain investment for Alberta. In addition, the Ministry collaborates with partners such as industry and employers, industry sector associations, unions, labour groups, training providers, communities and other orders of government to address current and emerging skills and labour requirements.

Strategy 3.1

Lead the awareness and implementation of the Government of Alberta's *Securing Tomorrow's Prosperity* strategy to support the development of competitive value-added goods and service industries.

EII continues to lead *Securing Tomorrow's Prosperity*, which stresses the necessity of adding knowledge and innovation to our traditional resource sectors as well as expanding our emerging sectors in order to keep Alberta globally competitive. The following are some of EII's achievements which have helped set Alberta's long-term strategic direction for value-added industry and economic development.

EII assisted industry to expand its investments in the energy sector by contributing to energy policy development. For example, in conjunction with Alberta Energy, design has begun on a bitumen in-kind policy to facilitate value-added development of Alberta's oilsands. This new policy would mean that Alberta could exercise its right to take bitumen in-kind in lieu of cash royalties.

The *Alberta Venture Capital Report* was completed and used to inform industry on the work of the Value-Added and Technology Commercialization Task Force and Alberta Economic Development Authority's Business Competitiveness and Diversification Committee.

EII co-ordinated the National Buyer/Seller Forum 2008 which attracted over 1,000 delegates from across Canada and internationally. The Forum increased understanding in how the delegates could participate in the oilsands equipment and services supply chain.

The Ministry also continued facilitating expansion in Alberta's Industrial Heartland. EII led the integration of Alberta's Industrial Heartland's Linear Infrastructure Study with the Capital Region Integrated Growth Management Plan to facilitate increased industrial development with reduced environmental footprints.

Lastly, EII established construction cost benchmarking indicators for major Alberta industrial, infrastructure and manufacturing projects to improve competitiveness in the industry.

Strategy 3.2

Improve company competitiveness and productivity by supporting industry innovation, technology adoption and commercialization, process improvement, and promoting and developing industry partnerships, networks and alliances.

A Manufacturing and Productivity portal on the albertacanada.com website was developed. This portal provides a description and an overall vision of productivity in Alberta; a section on productivity in the manufacturing industry and on Lean Manufacturing; and a description of the government actions in promoting productivity improvement. In addition, EII consulted with industry and economic development partners to plan a series of "Productivity Awareness" meetings to develop future plans on how to deliver information, programs, tools, and to provide input on policy issues.

The Ministry also led the facilitation of the Innovation Productivity Conference with over 100 business leaders to promote best practices for productivity enhancements with manufacturing firms. Finally, EII trained 40 companies in various regions across the province as part of the virtual lean training project.

Strategy 3.3

Encourage value-added industry growth and build market presence in Alberta's priority sectors.

The Hydro-Carbon Upgrading Task Force sector team was supported in achieving targeted sector strategy developments and building sector capabilities through the leadership and management of specific team activities and projects. Various supports were provided as requested, including reporting charts for the study, *Mega Project Excellence: Preparing for Alberta's Legacy*. The Ministry also continues to support other priority sectors by acting as co-chair of the Environmental Products and Services sector team, and as champion of the Aerospace and Aviation sector team.

Strategy 3.4

Support informed industry decision making by generating business and economic intelligence and developing and publishing economic information products, resources and online services.

A wide variety of analysis, reports and publications on the performance of the economy and labour market were prepared and distributed throughout the year. This included the *Monthly Economic Review*, the monthly Labour Force Survey statistics and highlights package, and the *Weekly Economic Highlights*.

EII updated and distributed quarterly and monthly publications related to collective bargaining agreements, including *Bargaining Update*, *Wage Settlements for Collective Bargaining Agreements*, *Labour Scene*, and *Alberta Legal Work Stoppages*. In addition, meetings were organized with labour relations clients to explore opportunities to share trends and collective agreement provisions through a web-based program.

The Ministry also supported the operations of AlbertaFirst.com, which is a provincial, municipal and industry partnership dedicated to the promotion of business and community development across the province of Alberta. The website received 1,074,123 visitor sessions, 901,177 community profile downloads, and 511,390 business directory searches.

Strategy 3.5

Implement Alberta's Comprehensive Labour Strategy *Building and Educating Tomorrow's Workforce* and develop specific labour force plans addressing Aboriginal and Métis labour force development initiatives, and industry-specific strategies.

The Ministry released new workforce strategies for four industry sectors: Tourism and Hospitality (May 2007), Energy (July 2007), Manufacturing (July 2007) and Construction (October 2007). EII partnered with industry associations and employers to address labour and skill shortages in each of these corresponding sectors.

The *Building and Educating Tomorrow's Workforce* (BETW) conference "Alberta's Global Talent" was hosted on October 9 and 10, 2007 to profile the promising practices of industries in addressing their labour and skill shortage issues.

EII also held ongoing consultations in support of the development of a proposed Government of Alberta First Nations, Métis and Inuit (FNMI) Workforce Action Plan. Further publications were distributed such as the *Performance Update* and the *BETW Newsletter* to inform stakeholders of achievements made related to BETW.

EII's work with business and industry continued in order to identify labour market issues and trends, and to help connect Albertans with information related to employment and training, including:

- The implementation of over 250 Employer Connections sessions;
- Holding symposia, best practices forums and best practices sessions on recruitment and retention, hiring mature workers, and hiring persons with disabilities; and
- The establishment of partnerships with Palliser Economic Partnership and CHAT TV to increase awareness of career, education, workplace and local labour market information.

Strategy 3.6

Contribute to the development of policy to maximize the value of Alberta's natural and other resources and to support a sustainable and diversified economy.

The Ministry led timely completion and updates to economic scenario planning projects, and assisted in the application of economic scenarios to other interdepartmental planning projects. This included the development of scenarios that informed planning of the 10 Year Capital Plan, the Capital Region Integrated Planning Project and discussions about renewing *Securing Tomorrow's Prosperity*.

Also, EII and business interests continued to be represented on cross-ministry sustainable development policy initiatives. Some of these initiatives included:

- Water For Life Steering Committee;
- Update of Climate Change Plan;
- Sustainable Development Co-ordinating Council;

- Land-use Framework; and
- Bio Diversity ADMs' Committee.

Strategy 3.7

With input from Alberta Economic Development Authority and other advisory bodies, set key directions where targeted actions and strategies can produce prosperity for Albertans.

EII supported the Alberta Economic Development Authority (AEDA) in the completion of its reorganization and operational planning, which contributed to the development of its committees' priorities and work plans. AEDA also received support to form six new committees and conducted a visioning exercise, which resulted in a strategic issues document called *Building a Great Future for Alberta*.

AEDA's six new committees were provided with advice and analysis on their actions and strategies throughout the year. These committees focus on key economic sectors and the issues that impact those sectors. They also deal with longer-term economic development strategies. Some examples of the support they received from EII include:

- The Business Competitiveness and Diversification Committee received input into the Value-Added and Technology Commercialization Strategy; and
- The Sustainable Development Committee received support with the Water for Life Strategy, and the facilitation of planning sessions.

Strategy 3.8

Market Alberta as an attractive destination for investment to targeted companies within priority sectors and to capital investors.

EII took the initiative to advertise and promote Alberta in various ways to companies within priority sectors and capital investors across the globe. Efforts to market Alberta as an attractive destination included a Ministerial mission to Europe from April 19 to 29, 2007 with meetings in Paris, London, Berlin and Amsterdam to discuss investment and labour attraction priorities with government and industry officials. The Minister travelled to Asia from October 6 to 19, 2007 with stops in the Philippines, Japan and China to discuss attracting investment and addressing skilled labour shortage issues.

EII also led a study on the environmental impacts of oilsands industrial plant integration and supported the development of an Oilsands Opportunities DVD showcasing the Government of Alberta's commitment to the responsible development of the resource. The study and the DVD were promoted to industry to support investment efforts. Other marketing materials included the development of a DVD on opportunities for hydrocarbon processing, an updated *Facts on Alberta* brochure, and the *Highlights of the Alberta Economy* publication to support investment attraction.

Strategy 3.9

Establish an Office of Statistics and Information to consolidate official statistics and other key government data to support strategic management and dissemination of information for policy and decision-making.

Alberta's Office of Statistics and Information (OSI) was created in EII and has a government-wide mandate. The OSI works in collaboration with other ministries and will be the Government of Alberta resource responsible for consolidating official statistics and other key government data to support the efficient and strategic management and sharing of information for policy and decision-making.

The initial phase of the OSI's development focused on processes internal to government. The OSI continues to build upon the collective experience and skills of individual ministries to provide access to a range of statistical products to meet the needs of the Alberta government as a whole, both today and in the future. These products use both external data (e.g. Statistics Canada) and data collected internally.

Over the past year much has been accomplished in establishing the OSI; some highlights of OSI - related achievements include:

- Initial development of a suite of Alberta Official Statistics and establishment of a cross-ministry task team to develop consensus on population statistics;
- The OSI's online gateway to key government statistics and information, *datalink*, was established and continues to expand as a mechanism for distributing statistical information throughout government;
- An Evaluation Management Resource was developed to provide a practical evaluation toolkit to promote and strengthen accountability and systematic review of Alberta's programs and services; and
- A cross-ministry Statistics Council was established and became operational. Their work includes formalizing collaborative agreements, strategic partnerships and alignments within government.

Strategy 3.10

Co-lead the development and implementation of the Health Workforce Action Plan and the health care sector sub-strategy.

EII co-led the development and implementation of the Health Workforce Action Plan (HWAP) and the health care sector sub-strategy with the ministries of Alberta Health and Wellness, and Alberta Advanced Education and Technology. The HWAP Minister's Summit was planned and held with over 125 stakeholders who provided their input on the draft HWAP. The HWAP was then released in September 2007 and some of its initiatives include:

- Partnering with health employers on international marketing and recruitment campaigns to attract health professionals working in other countries, which included the repatriation of Albertans working abroad; and
- Creating a health career and skills assessment network, which included two Health Career Centres in Edmonton and Calgary, to guide internationally educated health professionals through the registration and licensing processes so they can find employment in their field or in a complementary profession.

Performance Measure 3.a

Labour productivity: inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest)

In 2006, Alberta had the highest labour productivity of all the provinces ($49.75). A contributing factor to Alberta's high labour productivity in 2006 was the concentration of the oil and gas industry in the province and the high gross domestic product in dollar value per hour worked by that industry.

Through the *Building and Educating Tomorrow's Workforce* strategy, the government also contributed to the province's ability to compete in an increasingly global and knowledge-based economy. Specific initiatives included the Lean Enterprise Assessment Program, which assisted the manufacturing sector to enhance business processes and productivity.

Labour productivity

	2004	2005	2006	Target	Met Target
Labour productivity: Inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest)	#1 ($47.08)	#1 ($48.85)	#1 ($49.75)	#1	✓

Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 3.b

Real Gross Domestic Product of manufacturing and business and commercial services ($billions and per cent change)

In 2007, the real gross domestic product (GDP) for manufacturing and business and commercial services was $33.8 billion. In November 2007, all real dollar GDP estimates were revised by Statistics Canada, with the base year changing from 1997 to 2002. Although the dollar amount met the established target of $29.7 billion, the target does not reflect the upward adjustment of the results due to the change in base year. The overall result missed the target since it did not increase 4.0% from the 2006 result. The manufacturing sector expanded weakly (by 0.3%) due to the weakening United States economy (especially the housing sector), and strong value of the Canadian dollar. However, strong domestic demand led to a 4.9% increase for business and commercial services in Alberta.

For a comparative frame of reference, Alberta's total economic growth measured by overall GDP was 3.1% in 2007.

Real GDP of manufacturing and business and commercial services

	2005	2006	2007	Target	Met Target
Real GDP of manufacturing and business and commercial services	$30.6 billion*	$33.0 billion*	$33.8 billion	$29.7 illion	n/a
(% Change)	(7.1%)*	(7.9%)*	(2.5%)	4.0%)	

* Revised by Statistics Canada as of November 2007.
n/a The dollar value target is not applicable to current results due to the Statistics Canada base year revisions.
Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 3.c

Manufacturing and service industry investment: the value of new capital expenditures on construction and machinery and equipment in Alberta's manufacturing and services industry ($billions and per cent change)

The value of new capital expenditures on construction and machinery and equipment in manufacturing and service industries continued its upward trend in 2007 to $19.8 billion, exceeding the target of $17.7 billion by 12%. The strong provincial economy had a direct impact on this significant growth in investment, featuring the substantial investment growth for the energy sector, which resulted in investment growth for industries that supply the energy sector's investment goods and services. The pipeline and electricity infrastructure industries also continued to experience strong growth. Another contributor was the continuous decline of the United States dollar versus the Canadian dollar, which made machinery and equipment more affordable and encouraged strong investment in Alberta.

Manufacturing and service industry investment

	2005	2006	2007	Target	Met Target
Manufacturing and service industry investment ($billions) – The value of new capital expenditures on construction, machinery and equipment in Alberta's manufacturing and services industries	$14.8 billion	$17.7* billion	$19.8 billion	$17.7 billion	✓
(% Change)	(13.2%)	(19.1%)	(12.0%)	(7.0%)	✓

* Revised by Statistics Canada

Source: Statistics Canada and Employment, Immigration and Industry

Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 3.d

Percentage of employers who reported no positions vacant for more than four months

This performance measure provides insights into Alberta's labour market and the level of labour and skill shortages. It examines the extent to which Alberta's labour force supply is meeting the demand for labour.

The 2007-08 result of 75% exceeded the target of 72%. These changes reflect government's efforts through the *Building and Educating Tomorrow's Workforce* strategy to address Alberta's labour shortages and support the development of the labour force.

Employers who reported no positions vacant for over four months

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of employers who reported no positions vacant for over four months	n/a*	Data Collected Biennially	75%	72%	✓

* Not previously reported

Source: Employment, Immigration and Industry

Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

GOAL 4 Linked to Core Business 3 – Industry

Alberta has strong and vibrant regions and rural communities

What it means

Vibrant and sustainable rural communities with increased economic and social capacity contribute to a prosperous Alberta. Employment, Immigration and Industry in collaboration with other Ministries and rural and regional communities, continues to make progress on *A Place to Grow: Alberta's Rural Development Strategy*. The Ministry also works to strengthen rural communities and advance northern development through facilitation of the development of the Regional Economic Development Alliances. It also assists Alberta communities and alliances in identifying investment opportunities to promote sustainable growth. The Northern Alberta Development Council focuses attention and awareness on northern Alberta's unique opportunities and challenges. Specifically, the Northern Alberta Development Council initiates, co-ordinates and develops policies and strategies to advance sustainable northern development.

Strategy 4.1

Co-ordinate and lead the implementation of *A Place to Grow: Alberta's Rural Development Strategy* and provide support to the Rural Alberta's Development Fund.

EII led and co-ordinated the implementation of *A Place to Grow: Alberta's Rural Development Strategy* in various ways, which included supporting the Minister's Advisory Committee on Rural Development. EII co-ordinated the cross-ministry Committee on Rural Development, which delivered the Government of Alberta *Report on Progress*. The *Report on Progress* highlights achievements for the nine priority areas identified in *A Place to Grow*.

The Ministry provided various stakeholders with information, project development support and financial assistance. EII also engaged stakeholders and facilitated their numerous strategic initiatives, including:

- Alberta Urban Municipalities Association's First Impressions and Community Exchange project, and a Municipal Sustainability Planning pilot project;
- Palliser Economic Partnership Southeast Symposium;
- Rural Roots: Building capacity to offer English as a Second Language programming in rural and smaller communities through NorQuest College; and
- Northeast Alberta Information Hub's defence video project.

The Ministry also continued to support Rural Alberta's Development Fund (RADF) to fulfil its' mandate to fund rural community projects. EII assisted the RADF Board of Directors and Management in a number of areas including a performance measurement framework, legal policy advice and the provision of input and feedback from Government of Alberta ministries related to specif[illegible] funding applications.

Strategy 4.2

Facilitate economic and community capacity building and strengthening by supporting the development and operations of the Regional Economic Development Alliances and other economic development organizations.

The Ministry enhanced support to two northern regions of Alberta with the establishment of a regional development office in High Prairie and the development of two new Regional Economic Development Alliances (REDAs): Lesser Slave Lake Economic Alliance and Regional Municipality of Wood Buffalo. There are now a total of 14 REDAs in the province.

Also, a $5,000 grant was provided to each of the 12 existing REDAs this fiscal year. The grants were used to enable the REDAs to acquire such things as a computer, software, file storage, separate phone, fax, Internet access and post box. This resulted in an increased independent identity for REDAs as well as a better separation between REDAs and the staff and office supports provided to the REDAs by the Ministry.

Strategy 4.3

Encourage and enhance relationships and partnerships between the Regional Economic Development Alliances and Aboriginal communities.

The Ministry supported Aboriginal communities and organizations to identify economic development opportunities. Examples include:

- A study for Siksika First Nation to identify opportunities for entrepreneurs arising from the opening of Blackfoot Crossing Historical Park;
- A study for the Blood Nation to identify opportunities arising from a new venture, which will involve manufacturing mobile housing units;
- An Aboriginal engagement project that includes opportunity identification, the development of community profiles, a best practices manual and the delivery of capacity building workshops. In addition, work continued with Aboriginal communities to enhance engagement with the Northeast Alberta Information Hub Ltd. Profile (also known as "The HUB") REDA; and
- Support for sector development for the Driftpile First Nation, Alexander First Nation and Treaty 7 to build on tourism opportunities.

Strategy 4.4

Partner with other jurisdictions, other ministries, northern and Aboriginal communities, business, and industry on initiatives to promote northern, regional and rural development.

EII supported 20 First Nations, two Treaty organizations, four Tribal Councils, two Métis Settlements and five other Aboriginal organizations to identify and pursue development opportunities. Examples include:

- The Aboriginal youth entrepreneurship symposium for high school students to participate in a one day workshop on entrepreneurship;
- Support for Nakcowinewak Nation of Canada and Métis Nation of Alberta Association Local Council 1994 (Grande Cache) to develop business plans that emphasize partnership opportunities with the energy industry; and

- Support for the City of Edmonton to develop a framework to provide opportunities for: an urban Aboriginal economic discussion dialogue; developing relationships with industry and government; and structuring a process that will facilitate the development of an economic strategy.

The Northern Alberta Development Council (NADC) held regional stakeholder meetings which focused on tourism development, value-added agriculture, road and rail transportation concerns, education, and housing. Other meetings were held with northern Mayors and Reeves on workforce retention, infrastructure and housing issues as well as an update by the Alberta Forest Products Association on the forest products industry.

The NADC continued to work with partners and stakeholders on initiatives to advance northern development. Some examples include: completing a study on affordable housing in the NADC region titled *Housing Issues in Northern Alberta*; meeting with Canadian National Railway (CN) and local stakeholders to discuss CN service in northern Alberta; and partnering with Community Futures Grande Prairie and Region on a pilot project to encourage youth entrepreneurship and high school completion. The NADC also provided support for the master Memorandum of Understanding for Cooperation and Development with the Northwest Territories, which focuses on labour force issues.

Strategy 4.5

Promote awareness of the significance of northern development to all Albertans.

The NADC sponsored a mountain pine beetle seminar in July 2007 which drew 150 delegates. Follow-up meetings were held in November and December 2007, and were highlighted by an announcement of new federal funding to address the problem. The NADC also sponsored a section in the March 26, 2008 Edmonton Journal to raise awareness of northern issues, opportunities and challenges. In addition, EII prepared and posted annual regional publications such as the *Regional Occupational Outlook* and *Regional Population Outlook* to raise awareness of northern issues, opportunities and challenges.

Strategy 4.6

In partnership with northern communities, business, industry, learning providers and students, support initiatives to increase northern skill levels.

The NADC Northern Links Program encourages high school students to complete grade 12 and eases the transition of northern students to post-secondary education. An example of this was a pilot project that was completed in partnership with a school division and Community Futures Alberta (a federal program that actively engages and helps to develop and implement community-based economic development and diversification strategies). The pilot project encouraged students to develop a business plan and begin a small business. Students were able to earn credits and upon completion of grade twelve, receive funding to assist with their business loans.

NADC Bursaries are provided to Alberta students who entered the last two years of study in a full-time postsecondary education program with a requirement that they agree to work in northern Alberta upon completion of their education. Marketing campaigns for bursaries and northern employment opportunities were conducted through northern news media, university career fairs and regional stakeholders meetings.

Strategy 4.7

Assist Albertans with the development and expansion of small and medium sized Alberta businesses throughout the province through service delivery organizations such as The Business Link.

EII expanded The Business Link (TBL) at both of its locations (Edmonton and Calgary) and recorded 41,577 client interactions which exceeded TBL's target of 41,000. TBL website visits reached a new high of 1.2 million visits and its monthly *E-News!* electronic newsletter has over 9,200 active subscribers.

TBL continued to promote, encourage and advance entrepreneurship in Alberta by providing business information and services to small and medium sized businesses. Some examples include preparing fact sheets to provide data support to small business sectors and providing Call Centre Services in partnership with EII staff. EII also worked with TBL to provide the Aboriginal Business Services Network. Assistance was provided to TBL in the development and distribution of a guide for First Nations business development.

Finally, EII worked to provide entrepreneurial training in Edmonton, Calgary, St. Paul, Siksika, Piikani, the Samson Cree Nation, the Blood Nation, and for Athabasca Tribal Council member nations. The training caters to specific Aboriginal needs by providing an intensive program on Aboriginal exclusive business issues such as taxation and corporate structures for businesses both on and off-reserve.

Performance Measure 4.a

Number of communities participating in Regional Economic Development Alliances and partnerships

Regional Economic Development Alliances (REDAs) are not-for-profit companies or societies and encompass a geographical area defined by its members. REDA members are communities and other supportive stakeholders that collaborate to achieve economic prosperity based on a shared vision for the region's economic future. REDA membership is self-selecting and voluntary. Working together with elected community leaders, REDAs aim to grow and develop through regional co-operation and collaboration.

This measure monitors the number of communities participating in established REDAs and regional partnerships. The 2007-08 result of 261 indicates no change from the previous year. EII supported the ongoing development and operations of existing REDAs throughout Alberta and provided information and advice to other regional partnerships.

Communities participating in regional economic alliances and partnerships

	2005-06	2006-07	2007-08	Target	Met Target
Number of communities participating in regional economic alliances and partnerships	261	261*	261	265	--

* Revised

Source: Employment, Immigration and Industry

Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 4.b

Percent of Regional Economic Development Alliances board members satisfied with support received to help address economic development priorities in Alberta

EII assists the rural REDAs (i.e., excluding Edmonton and Calgary) by providing advisory management services for their development and operations. This measure examines REDA board members' satisfaction with the Ministry's support to ensure continuous improvement in services provided to the alliances.

In 2007-08, 86% of REDA board members surveyed were satisfied with the Ministry's support, which was slightly below the target of 89%. This reflects the Ministry's efforts in assisting REDA management boards with business planning, communications, financial advisory services, project management, as well as investment attraction support, administrative services and capacity building.

REDA board members satisfied with EII staff support

	2005-06	2006-07	2007-08	Target	Met Target
Percent of Regional Economic Development Alliance board members satisfied with support received to help address economic development priorities in Alberta	89%	91%	86%	89%	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 4.c

Number of Alberta Economic Regions with a labour force participation rate higher than the national average

The labour force participation rate provides an indication of the relative size of the supply of labour available for the production of goods and services. Strong regional and rural economies require an active labour force. It is intended that all of Alberta's regions have a strong labour force so that economic prosperity is shared across the province.

In 2007, seven out of the eight Alberta Economic Regions had a labour force participation rate higher than the national average. The participation rate for Canada was higher than the Lethbridge - Medicine Hat region by only 0.2 percentage points. From 1991 to 2006, the Lethbridge - Medicine Hat participation rate was higher than the national average. Between 2006 and 2007, the working age population for Lethbridge - Medicine Hat increased by 6,300 and the labour force decreased by 2,400. This is the main reason behind the decline in the region's participation rate.

Alberta Economic Regions with a labour force participation rate higher than the national average

	2005	2006	2007	Target	Met Target
Number of Alberta Economic Regions with a labour force participation rate higher than the national average	8 of 8	8 of 8	7 of 8	8 of 8	

Source: Statistics Canada
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 4.d

Partner satisfaction rating with the Northern Alberta Development Council's contribution in advancing northern interests

The Northern Alberta Development Council (NADC) promotes attention and awareness of northern Alberta's unique opportunities and challenges, and works with stakeholder partners to advance sustainable northern development. The result of this measure is intended to help the council evaluate its progress in meeting its goals and to rate the satisfaction of partners who were involved in its activities.

In 2007-08, NADC strategically positioned itself and supported partners and stakeholders through several challenges and issues throughout the year. These challenges and issues included: the need to invest in northern infrastructure, northern housing issues and initiatives to address northern skill levels, and the continued follow up on recommendations made by Challenge North 2006 participants. The 2007-08 satisfaction rating of 8.2 out of 10 by partners and stakeholders exceeded the target of 8.0 and increased 0.5 from 2006-07.

Partner satisfaction rating with NADC contribution in advancing northern interests

	2005-06	2006-07	2007-08	Target	Met Target
Partner satisfaction rating with Northern Alberta Development Council's contribution in advancing northern interests*	8.2	7.7	8.2	8.0	✓

* Average rating on a scale from 1 to 10 (1=very dissatisfied, 10=very satisfied)
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 4.e

Northern Alberta Development Council Bursary return rate

The Northern Alberta Development Council (NADC) provides bursaries to Alberta students who entered the last two years of study in a full-time post-secondary education program with employment potential in northern Alberta. The NADC Bursary includes a requirement for students to enter into a reciprocal agreement to work in northern Alberta upon completion of their education. This measure monitors students' compliance with their obligation to work in northern Alberta after completing their education. It also indicates effectiveness of the NADC Bursary in ensuring students stay in or return to northern Alberta.

The 2007-08 result of 78% exceeded the target of 75%. This indicates the effectiveness of the NADC Bursary in ensuring economic development and prosperity of northern Alberta through its efforts to encourage students to stay in or return to the region.

Bursary return rate

	2005-06	2006-07	2007-08	Target	Met Target
Bursary return rate	80%	81%	78%	75%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

GOAL 5 Linked to Core Business 3 – Industry

Alberta has a fair, safe and healthy work environment

What it means

Fair, safe, healthy and productive workplaces help keep the province of Alberta prosperous and competitive in the global economy, as well as increase the quality of life for Alberta workers. The Ministry helps employers and organizations develop positive labour-management relationships through better communication, problem solving and cooperation. The Ministry also promotes, regulates, monitors and informs employers and employees about workplace rights and responsibilities, health and safety, and fair and balanced employment standards.

Strategy 5.1

Support Alberta's workplaces to resolve management and union disputes and relationship issues effectively by providing mediation, arbitration and facilitation services.

In 2007-08 EII continued to make all appointments of a mediator or arbitrator in a timely fashion to assist in the resolution of labour disputes and grievances. Among the most prominent examples were 34 mediation appointments in the education sector. In November 2007 the Government of Alberta and the Alberta Teachers' Association reached a landmark agreement in which the government agreed to assume the teachers' share of the pre-1992 unfunded pension liability valued at more than $2 billion.

The agreement stipulated that all 62 school jurisdictions had until January 31, 2008 to negotiate or revise and ratify new five-year collective agreements. The agreement also included a commitment by the government to provide mediation and the success of such efforts contributed to this accomplishment.

The Ministry also continued to work with various unions and employers to resolve their workplace issues and build working relationship agreements. There is ongoing activity to develop and enhance relationships and cooperation in the labour relations community through advice, training and facilitation.

Strategy 5.2

Implement approaches to enhance compliance with employment standards and workplace health and safety and review workplace legislation to ensure it is current and relevant to Alberta's workplaces.

As part of its responsibility to Albertans, the Ministry continued to investigate injuries and accidents under the *Occupational Health and Safety Act*. This included 13,351 registered inspections for complaint response and target programs. Target programs are proactive inspection programs that target specific industries and employers; for the 2007-08 fiscal year this included residential construction, commercial/industrial construction, rock crushing, upstream oil and gas industry work sites, and approximately 550 employers under the targeted employer program. The Ministry also continued to investigate registered complaints under the *Employment Standards Code*, and completed the investigation of 4,234 complaints during the fiscal year.

EII and Alberta Justice work together to review serious and fatal incidents, and to support workplace health and safety and employment standards prosecutions. This year, 74 serious and fatal incidents were investigated and employment standards investigations resulted in the prosecution of two employers who demonstrated ongoing non-compliance with minimum standards.

Over 300 visitations were conducted with targeted employers to promote the implementation of effective health and safety management systems. Targeted employers are selected based on the frequency or severity of workplace injury incidents (e.g., a high number of lost-time claim injuries or a high lost-time claim rate).

A procedures manual for various permit processes was developed, including permit applications for the employment of adolescents and minimum wage exemptions for persons with disabilities. As well, a cross-jurisdictional review of adolescent employment was conducted.

Lastly, EII successfully developed and co-ordinated responses to the International Labour Organization's (ILO) annual inquiries on behalf of the Government of Alberta. Responses were provided to the ILO for the following conventions:

- Convention 87 – Freedom of Association and Protection of the Right to Organize;
- Convention 100 – Equal Remuneration Convention;
- Convention 111 – Discrimination (Employment and Occupation Convention); and
- Convention 122 – Employment Policy Convention.

Strategy 5.3

Continue to build upon the success of the Work Safe Alberta initiative and implement new approaches to further reduce work-related injury and disease especially among inexperienced workers and students.

EII updated the *Youth Occupational Injury and Disease* report, which provides an analysis of workplace health and safety for youth in Alberta. This meets the demand from industry and safety associations, labour organizations, employers and workers to incorporate this information into their strategic plans for enhancing workplace health and safety.

A Certificate of Recognition (COR) is given to employers who develop health and safety management systems that meet established standards. EII continued to work with certifying partners and employers to increase the number of employers holding CORs to 7,200 as of March 31, 2008. Developing new partnerships and strengthening those existing in under-represented industry sectors were also a factor in the increase of CORs.

A Road Safety @ Work section has been created on the Work Safe Alberta Information Sharing Network website, which includes a wide variety of information products and resources for employers and workers. The website provides how-to bulletins, e-learning tools, training videos and courses that can be easily and quickly located to help improve health and safety practices at the workplace.

The Annual Best Safety Performer Awards recognize Alberta employers with exceptional performance in workplace health and safety. Qualified employers (with a Workers' Compensation Board - Alberta account) are automatically considered. This year, EII incorporated the disabling injury rate in the Annual Best Safety Performer Awards selection criteria, increasing confidence

that the awards were issued to well-suited recipients. This method also provides a more accurate picture of actual number of injuries and illnesses occurring and assists in targeting prevention activities.

Strategy 5.4

Provide employers and workers with access to workplace health and safety and employment standards information.

The Ministry continued to provide Workplace Health and Safety and Employment Standards information to individual Albertans and employers through EII delivery sites and the Employment Standards and Workplace Health and Safety Contact Centre. Throughout the fiscal year, the Workplace Health and Safety Contact Centre responded to 20,758 calls and 2,600 e-mails and the Employment Standards Contact Centre responded to 125,669 calls and 7,124 e-mails.

EII also enhanced its web-based information and services for the following initiatives:

- The Work Safe Alberta Redesign to Government of Alberta Standards;
- New Employment Standards e-learning tool; and
- The Labour Market News website.

The *2006 Occupational Injury and Disease in Alberta Summary* was updated and released. This report measures and analyzes the prevalence and type of workplace injuries in a way that provides insight and impetus for improvement. Many industry sectors, labour groups, associations, safety officers, risk managers, executives, researchers, students and employers in the private and public sector will use this data to make improvements to their safety programs.

EII continued to provide courses and workshops to Alberta employers and partners to increase their knowledge of Workplace Health and Safety and Employment Standards. For example, Employment Standards seminars were delivered to 6,000 Albertans and the "Train the Trainers" course was provided to more than 2,500 Albertans.

Finally, to help ensure that temporary foreign workers (TFW) are being treated fairly in their workplaces, EII developed and implemented a Temporary Foreign Worker Enforcement Project, which included:

- Two TFW Advisory Offices have been established. One office is located in Calgary and the other office is in Edmonton;
- A TFW Helpline, which provides phone support for TFWs;
- An Employment Standards Targeted Program Initiative, which includes specific focus on payroll inspections of employers of TFWs; and
- Three publications:
    - Guide for TFWs providing information about workplace legislation in 5 languages (English, French, Spanish, German and simplified Chinese);
    - Guide for employers of TFWs providing information on workplace legislation; and
    - Guide for employers using employment agencies to recruit TFWs.

Strategy 5.5

Implement approved recommendations arising from the review of the Employment Standards Program, Code and Regulation.

The Ministry made changes to the *Employment Standards Regulation* and increased the minimum wage to $8.00 per hour on September 1, 2007. At the same time, EII implemented a new minimum wage indexing system to link future minimum wage increases to changes in the Alberta average weekly wage.

The Employment Standards Compliance Policy was developed and implemented. The Employment Standards Targeted Program Initiative was revised and implemented to include focus on employers of temporary foreign workers.

EII also developed the Employment Standards e-learning tool to improve general awareness of minimum standards. Included in this interactive program is basic information about minimum employment standards such as payment of earnings and vacation as well as the various processes for making complaints.

Performance Measure 5.a

Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)

In 2007-08, 98% of Collective Bargaining Agreements were settled without a work stoppage, meeting the established target. EII ensured this positive result by providing expertise and impartial third-party support to labour and management in resolving collective bargaining disputes, promoting innovative practices, and promoting alternative dispute resolution.

The result for this performance measure remained high despite factors that could have resulted in increased conflict in union-management relationships and the likelihood of work stoppages. These factors included the implementation of the historic agreement between the Government of Alberta and the Alberta Teachers' Association; a shortage of skilled workers; a decrease in unemployment rates; and an increase in the level of business competition.

Collective bargaining agreements settled without a work stoppage

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout)	98%	99%	98%	98%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 5.b

Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards

EII provides information on and regulates employment standards and practices for Alberta employers and employees. This is done through a combination of services and initiatives, including telephone counselling, educational programs, compliance, policy and standards (including permits and appeals) and partnerships. This measure examines the effectiveness of the Ministry's efforts and is an indicator of the level of compliance by employers. In 2007-08, 98% of Alberta employers had no complaints registered against them with Employment Standards. This result met the target of 97% and was consistent with prior years' results.

Employers with no complaints registered with Employment Standards

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards	Foreshadowed in the 2005-2008 Business Plan	98%	98%	97%	✓

Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 5.c

Lost-Time Claim Rate: number of lost-time claims per 100 person-years worked

Through the Work Safe Alberta initiative, EII works with Alberta employers, workers and the Workers' Compensation Board – Alberta (WCB) to reduce workplace injuries. The initiative includes a wide range of programs and efforts to improve workplace health and safety in Alberta and recognizes that employers, employees, associations, government and the public all have a role to play in promoting workplace health and safety. A Lost-Time Claim (LTC) is a claim for an occupational injury or disease that causes the worker to have time away from work, beyond the day of injury.

In 2007, the provincial LTC rate was 2.12 for Alberta employers. Although it missed the target of 1.9, this record-setting safety performance continued the downward trend of the LTC rate in recent years. A LTC rate of 2.12 represents about 21,000 fewer lost-time injuries each year and more than $400 million in direct annual claims cost savings to the WCB when compared to the 2000 rate of 3.4. It demonstrates the ongoing efforts of EII to increase the awareness of workplace health and safety issues among employers and workers and to reduce the probability of workplace injury and disease through the Work Safe Alberta initiative.

Workplace Lost-Time Claim Rate

	2005	2006	2007	Target	Met Target
Workplace Lost-Time Claim Rate: Number of lost-time claims per 100 person-years worked	2.41	2.35	2.12	1.9	

Source: Workers' Compensation Board – Alberta and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 5.d

Disabling Injury Rate: number of disabling injury claims per 100 person-years worked

The disabling injury (DI) rate is similar to the lost-time claim rate, but covering a broader range of injuries. The DI rate also includes claims submitted in which employees have their work modified to accommodate their injuries, enabling them to remain in the workplace and not requiring time away from work. It provides a comprehensive picture of workplace injuries. The provincial 2007 DI rate was 3.88, which decreased from 4.02 in 2005. Though more historical results in the series would be necessary to claim a downward trend, decreases in this rate indicate an increased awareness of workplace health and safety and safer workplaces for workers in Alberta.

Disabling Injury Rate

	2005	2006	2007	Target	Met Target
Number of disabling injury claims per 100 person-years worked	4.02	4.14	3.88	2.8	

Source: Workers' Compensation Board – Alberta and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Alberta Labour
Relations Board

Detailed Program Results Analysis and Discussion

GOAL 6 Linked to Core Business 3 – Industry

Alberta has a fair, equitable and stable labour relations environment

What it means

It is important to have an independent and impartial tribunal, responsible for the day-to-day application and interpretation of Alberta's labour laws. The Alberta Labour Relations Board (ALRB) processes applications and frequently conducts hearings on matters arising from both private and public employment sectors. Some, but not all, of the issues that come before the Alberta Labour Relations Board include certifications, revocations, various votes, bargaining unit determinations and unfair labour practices which fall under the *Labour Relations Code*, *Public Service Employee Relations Act* and *Police Officers Collective Bargaining Act*.

Strategy 6.1

Provide timely, effective and efficient services to the Alberta labour relations community.

ALRB continued to book hearing dates as soon as possible once the application had been received. Labour Relations Officers and Management used reports from ALRB's extensive case management system to monitor the timeliness of its processes and to re-direct resources to those files that required them.

Strategy 6.2

Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings.

All Labour Relations Officers and Adjudicators continued to obtain training in the use of Alternative Dispute Resolution methods through a combination of regular academic course work and observing the methods used by ALRB's senior staff. The Resolution Conference initiative continued to provide settlement opportunities for the parties using ALRB's adjudicative staff. In 2007-08, 476 matters were settled before reaching a formal hearing.

Strategy 6.3

Render clear and timely decisions for the parties.

ALRB adjudicators had access to case management reports that identify potentially late decisions. This allowed for the adjustment of the hearing time versus writing time balance and enabled them to meet the target. In 2007-08, 121 formal written decisions were completed.

Performance Measure 6.a

Average number of days from the acceptance of an application to the date of the first hearing

In September of the reporting year, the Alberta Labour Relations Board (ALRB) received dozens of cease and desist applications from numerous employers and contractors engaged in general construction projects throughout Alberta. These matters were dealt with in expedited hearings as "urgent matters". As a result, a large number of matters were processed on the same day they were filed, skewing the report year statistics for this measure. Another influencing factor is the extra year of experience that a relatively new officer staff complement has gained in the Edmonton office. As their experience grows, the more efficient they become in processing their assigned files.

Average number of days for application acceptance

	2005-06	2006-07	2007-08	Target	Met Target
Average number of days from the acceptance of an application to the date of the first hearing	75	67	44	70	✓

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 6.b

Percentage of applications, with Board involvement, settled before reaching a formal hearing

ALRB's settlement rate has returned to normal levels after a number of years of exceptionally high rates due to some file anomalies between 2004-05 and 2006-07.

Percentage of applications settled

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of applications, with Board involvement, settled before reaching a formal hearing*	73%	65%	56%	56%	✓

* Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from Board settlement efforts.
Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 6.c

Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s)

In September 2007, ALRB received cease and desist applications from numerous employers and contractors engaged in general construction projects throughout Alberta. These matters were dealt with in expedited hearings as "urgent matters". Decisions in urgent matter hearings have their decisions rendered at the end of the hearing resulting in a higher percentage of decisions being completed in less than 90 days.

Percentage of decisions rendered within 90 calendar days

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s)	62%	80%	96%	85%	✓

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 6.d

Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s)

ALRB actuals returned to the normal levels experienced in 2003-04 and 2004-05.

Percentage of decisions rendered within 180 calendar days

	2005-06	2006-07	2007-08	Target	Met Target
Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s)	88%	88%	95%	100%	

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Appeals Commission for Alberta Workers' Compensation

Detailed Program Results Analysis and Discussion

GOAL 7 Linked to Core Business 3 – Industry

Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

What it means

Having an independent and impartial body to hear appeals of decisions made by the Workers' Compensation Board is essential. This final level of appeal is important for workers, employers and the Workers' Compensation Board as well. The fair and consistent application of legislation, policy and principles of natural justice is required to ensure solid, defendable decisions.

Strategy 7.1

Provide a timely appeal service.

The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) has continued to revise procedures to ensure parties are prepared to proceed through the steps required to process an appeal and to eliminate unnecessary delays in processing. In 2007-08, 1,045 appeals were concluded by the Appeals Commission.

Strategy 7.2

Provide fair decisions on appeals applications.

The Appeals Commission, an independent and impartial body, ensured solid, defendable decisions by the consistent application of legislation, policy and the principles of natural justice.

Performance Measure 7.a

Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized (Standard and Complex Appeals)

Combined improved efficiencies in administrative processing, a more current appeal workload and a reduction in appeals received have resulted in the Appeals Commission exceeding the target set for standard appeals by one day, and the target set for complex appeals by 28 days.

Average number of days of processing time to finalize the appeal

	2006-07	2007-08	Target	Met Target
Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized*:				
• Standard Appeals	172	144	145	✓
• Complex Appeals	225	182	210	✓

* Standard Appeals are those appeals with two or less straightforward issues that require normal preparation, decision-making and decision writing. Complex Appeals encompass matters with complicated medical/adjudicative and unique legal arguments (usually three or more).

Source: Appeals Commission Appeals Management System (AMS)

Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 7.b

Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration

In the past fiscal year, 95.9% of the decisions issued were either not challenged, or if they were, they were upheld upon review by the Courts, the Ombudsman or the Appeals Commission. A greater number of reconsideration applications granted has affected this target. The Appeals Commission has an initiative to renew quality assurance efforts and standards for quality of decision making and writing. This will focus on continued enhancement of the Appeals Commission's competencies through training and recruitment initiatives.

Percentage of the total number of Appeals Commission decisions not challenged

	2006-07	2007-08	Target	Met Target
Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration	98.0%	95.9%	Greater than 98.0%	

Source: Appeals Commission Appeals Management System (AMS)
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Financial Information

Employment, Immigration and Industry

Financial Information

- Ministry Financial Analysis and Discussion
- Ministry Financial Statements
  - Auditor's Report on Ministry Financial Statements
  - Supplementary Ministry Financial Information
- Workers' Compensation Board Financial Statements

Ministry Financial Analysis and Discussion

This section includes financial results and performance by major program area, discussion of the financial results and performance, and analysis of Ministry expenses by core business.

ACCOUNTABILITY

Financial results of the Ministry of Employment, Immigration and Industry for the year ended March 31, 2008 include the activities of the Alberta Labour Relations Board, Workers' Compensation Appeals and the Department of Employment, Immigration and Industry. More detailed information can be found in the Ministry's financial statements included in the Annual Report, beginning on page 92.

Financial Results and Performance

(In thousands)

	2008				2007
	Original Budget	Authorized Supplementary[a]	Authorized Budget	Actual	Actual
Revenue					
Transfer from the Government of Canada	$ 226,109		$ 226,109	$ 225,679	$ 190,478
Internal Government Transfers[a]	12,769		12,769	12,769	12,769
Fees, Permits and Licences	300		300	723	666
Other Revenue	35,260		35,260	37,859	34,247
	274,438	-	274,438	277,030	238,160
Expenses					
Voted:					
Ministry Support Services	21,665	500	22,165	22,073	20,029
Employment	644,559	22,120	666,679	685,617	639,210
Industry, Regional and Rural Development	40,494	(7,100)	33,394	34,868	124,105
Labour Standards and Workplace Safety	36,707		36,707	33,782	29,118
Immigration	67,930	200	68,130	50,312	58,078
Health Workforce Development	30,000		30,000	29,969	-
Labour Relations Board	2,995	100	3,095	3,292	3,034
Workers' Compensation Appeals	9,835	(1,260)	8,575	8,447	8,702
Program Operating Expenses	854,185	14,560	868,745	868,360	882,276
Program Capital Investment	3,698		3,698	4,064	8,871
Voted Expenses and Capital Investments	857,883	14,560	872,443	872,424	891,147
Statutory Expenses:					
Valuation Adjustments	24	-	24	1,828	1,392
	857,907	14,560	872,467	874,252	892,539
Net Operating and Capital Results	$ (583,469)	$ (14,560)	$ (598,029)	$ (597,222)	$ (654,379)

[a] Supplementary estimates were approved as follows: $5,600 to cover higher than budgeted cost of salary and wage settlements; $14,887 which includes $8,960 to cover additional costs of income support programs, and $5,927 which was reported by Finance.

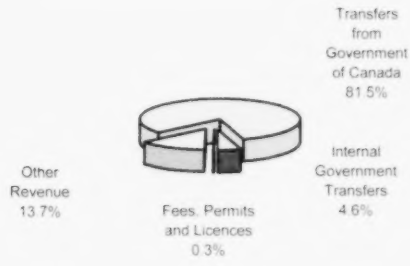
Discussion of Financial Results and Performance

The Ministry of Employment, Immigration and Industry balanced its 2007-08 authorized voted expenses and capital expenditures budget. As reported in the 2007-08 Government of Alberta Annual Report, the Ministry ended the year spending $872.4 million on employment, immigration and industry programs.

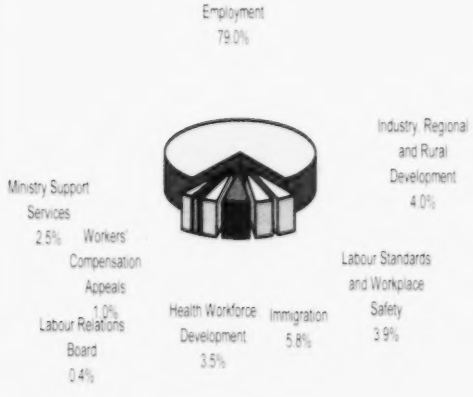
REVENUES

The Ministry's 2007-08 revenues were $277.0 million, approximately $38.9 million higher than the previous year. Block funding from the Government of Canada for provincial "social service" programs accounted for $35.2 million of the increase. Increases were also seen in Other Revenue, where additional funds were received from the Workers' Compensation Board to support Workplace Health and Safety activities.

Source of Actual Revenue - $277 million


Transfers from Government of Canada 81.5%
Internal Government Transfers 4.6%
Fees, Permits and Licences 0.3%
Other Revenue 13.7%

Actual Operating Expenses by Program
$868 million


Employment 79.0%
Industry, Regional and Rural Development 4.0%
Labour Standards and Workplace Safety 3.9%
Immigration 5.8%
Health Workforce Development 3.5%
Labour Relations Board 0.4%
Workers' Compensation Appeals 1.0%
Ministry Support Services 2.5%

EXPENSES

The Ministry's overall annual spending decrease of $13.9 million from 2006-07 is the combined result of 2007-08 program spending increases of $85.7 million offset by a one-time payment in 2006-07 of $99.8 million to establish the Rural Alberta Development Fund. In 2007-08 Employment program spending increased $46.4 million and there was new spending of $30.0 million with the introduction of the Health Workforce Development initiative. An additional $10.4 million increase was seen in Industry, Regional and Rural Development.

PROGRAM COMPARISON OF 2007-08 AUTHORIZED BUDGET TO ACTUALS

Following are explanations of the major program variances.

Employment – Employment programs assist Albertans in acquiring the knowledge and skills they need to identify and participate in future training and employment opportunities, and in becoming self-reliant and contributing members of society. These programs also support Albertans by providing health benefits, child support services and financial assistance so that they can improve their skills and employability, and be as independent as possible. In 2007-08, employment program spending exceeded budgeted spending by $18.9 million.

- **Career Development Services** – Higher than anticipated utilization of Job Placement and career assistance services resulted in over expenditures of $3.0 million.

- **Basic Skills and Academic Upgrading** – An increase in learner enrolments in academic upgrading resulted in over expenditures of $4.8 million.

- **Training for Work** – Increased enrolment in integrated training, apprenticeship programs and higher than anticipated utilization of the Canadian Agricultural Skills Service resulted in over expenditures of $2.6 million.

- **Income Support** – Funds are invested to provide benefits to individuals and their families when earnings are insufficient to provide for basic necessities, if they are temporarily unavailable for employment or training programs, when they are attending training programs or when they are unable to work due to persistent health problems or multiple barriers to employment. Spending was $6.4 million higher than budgeted due to higher than anticipated caseloads. Supplemental funding was allocated to Income Supports programs in the 2007-08 fiscal year to help offset caseload pressures.

- **Health Benefits** – Premium free coverage is provided for children in families with lower incomes, and adults and their dependents receiving income supports. Coverage is also offered to former Expected to Work and Not Expected to Work Income Support clients and their dependents who leave the program for employment. Other clients who are eligible for health benefits include: pregnant women with lower incomes; clients who leave the Assured Income for the Severely Handicapped program for employment; clients who receive Canada Pension Plan - Disability income; or clients who have high drug costs in relation to their income and whose household income is within the program's qualifying income levels. In 2007-08, the expenses in this area were $0.9 million lower than budgeted.

Program Support – Higher than budgeted manpower costs due to negotiated salary settlements and expenses for ongoing legacy system replacement work resulted in additional program support spending of $5.0 million.

Industry, Regional and Rural Development – Actual spending on Industry activities was $1.5 million more than budgeted. This resulted from increased partnering opportunities with industry as well as additional activity in the area of planning for First Nations economic projects.

Labour Standards and Workplace Safety – The program promotes fair, safe, healthy and productive workplaces through developing positive labour-management relationships, regulating employment standards and practices, and communicating with employers and employees. Program support position vacancies in this area resulted in under expenditures of $2.9 million.

Immigration – Immigration programs are designed to attract and retain immigrants and support their successful transition into Alberta's economic, social and cultural life. Lower than anticipated utilization of immigrant related training programs and under-spending in the Alberta Immigrant Nominee Program resulted in program expenses that were $17.8 million less than budgeted expenses.

Health Workforce Development – The Health Workforce Action Plan was implemented in 2007-08. The budgeted amount of $30.0 million was fully expended to help address Alberta's health workforce pressures by supporting the recruitment, retention and repatriation of healthcare workers.

Workers' Compensation Appeals – Costs were in line with the $8.6 million budgeted for this program.

Capital Investments – An additional $0.4 million was invested in the *datalink* project for the Office of Statistics and Information to bring total spending to $4.1 million in 2007-08.

Statutory Expenses – Are valuation adjustments, such as provision for doubtful accounts, vacation pay liability, provision for reduction of investments to market, and obligations under guarantees that do not represent payments of public money.

- The provision for vacation pay had an increased adjustment of $1.8 million due to a higher than budgeted accrued vacation pay liability.

Expenses by Core Business

The following discussion of Ministry expenses is broken out by core business. It provides the budgeted and actual spending for 2007-08 as well as actual spending for 2006-07.

Core Business (in thousands)	2007-08 Original Budget [1]	2007-08 Actuals	2006-07 Actuals (comparable)
Employment	661,377	705,327	658,439
Immigration	69,700	51,624	59,430
Industry	122,132	113,236	165,799
Total Ministry Core Business Expense	**853,209**	**870,187**	**883,668**

(1) Authorized Supplementary is not included in the Core Business Original Budget

COMPARISON OF 2007-08 BUDGET TO 2007-08 ACTUALS BY CORE BUSINESS

- Employment expenses were $44.0 million higher than budget primarily due to increased utilization of employment and training programs and higher than anticipated Income Support caseloads.
- Immigration spent $18.1 million less than budget due to a lower than anticipated utilization of English as an Alternative Language and bridging programs that assist immigrants with prior experience in a specific occupation bridge gaps in knowledge or skills in order to gain entry to that occupation or a related occupation.
- Actual spending on Industry activities was $8.9 million less than budgeted due to the deferment of the Centre for Aircraft Certification project and lower than anticipated program development and support costs.

COMPARISON OF 2007-08 ACTUALS TO 2006-07 COMPARABLE ACTUALS BY CORE BUSINESS

- The increase of $46.8 million from 2006-07 in Employment was primarily due to increased Income Support caseloads, additional spending on employment and training programs and on program delivery support and management costs.
- Lower than anticipated utilization of immigration bridging programs resulted in decreased expenditures of $7.8 million.
- Increased expenditures in Industry of $44.9 million were the result of new expenditures related to the launch of Health Workforce Development programs, additional Regional Aboriginal development and industry investment activities and increased program support costs. The 2007-08 increase in program spending was offset by a reduction due to a one-time payment of $99.8 million in 2006-07 to establish Rural Alberta's Development Fund.

Financial Statements

For the year ended March 31, 2008

- Auditor General's Report on Ministry Financial Statements
- Statement of Operations
- Statement of Financial Position
- Statement of Cash Flows
- Notes to the Ministry Financial Statements
- Schedule 1 – Revenues
- Schedule 2 – Dedicated Revenue Initiatives
- Schedule 3 – Expense Directly Incurred – Detailed by Object
- Schedule 4 – Budget
- Schedule 5 – Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget
- Schedule 6 – Salary and Benefits Disclosure
- Schedule 7 – Related Party Transactions
- Schedule 8 – Allocated Costs
- Supplementary Ministry Financial Information
  - Ministry Expense by Function
  - Statement of Remissions, Compromises and Write-Offs

AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Employment, Immigration and Industry as at March 31, 2008 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
May 16, 2008

Fred J. Dunn FCA
Auditor General

Statement of Operations

For the year ended March 31, 2008

(in thousands)

	2008 Budget (Schedule 4)	2008 Actual	2007 Actual Restated (Note 3)
Revenue (Schedules 1 and 2)			
Transfers from Government of Canada	$ 226,109	$ 225,679	$ 190,478
Internal Government Transfers	12,769	12,769	12,769
Fees, Permits and Licences	300	723	666
Other Revenue	35,260	37,859	34,247
	274,438	277,030	238,160
Expenses Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	21,665	22,073	20,029
Employment	644,559	685,617	639,210
Industry, Regional and Rural Development	40,494	34,868	124,105
Labour Standards and Workplace Safety	36,707	33,782	29,118
Immigration	67,930	50,312	58,078
Health Workforce Development	30,000	29,969	-
Labour Relations Board	2,995	3,292	3,034
Workers' Compensation Appeals	9,835	8,447	8,702
	854,185	868,360	882,276
Statutory			
Valuation adjustments (Note 6)			
Provision for Doubtful Accounts and Vacation Pay	24	1,828	1,392
	854,209	870,188	883,668
Net Operating Results	$ (579,771)	$ (593,158)	$ (645,508)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2008

(in thousands)

	2008	2007
		Restated (Note 3)
Assets		
Cash	$ 615	$ 3,918
Accounts Receivable (Note 4)	5,088	4,462
Advances (Note 5)	5,155	5,158
Tangible Capital Assets (Note 7)	17,612	15,550
	$ 28,470	$ 29,088
Liabilities		
Accounts Payable and Accrued Liabilities	$ 87,095	$ 84,790
	$ 87,095	$ 84,790
Net Liabilities		
Net Liabilities at Beginning of Year	$ (55,702)	$ (49,831)
Net Operating Results	(593,158)	(645,508)
Net Financing Provided from General Revenues	590,235	639,637
Net Liabilities at End of Year	$ (58,625)	$ (55,702)
	$ 28,470	$ 29,088

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2008

	(in thousands) 2008	2007
Operating Transactions		Restated (Note 3)
Net Operating Results	$ (593,158)	$ (645,508)
Non-cash items included in Net Operating Results		
Amortization (Schedule 3)	1,993	2,231
Valuation Adjustments	1,828	1,392
	(589,337)	(641,885)
Increase in Accounts Receivable [a]	(627)	(442)
Decrease(Increase) in Advances	3	(142)
Increase in Accounts Payable [b]	478	14,347
Cash Applied to Operating Transactions	(589,483)	(628,122)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(4,064)	(8,871)
Proceeds from disposal	9	20
Transfer of Tangible Capital Assets to Other Ministries (Schedule 7)	-	850
Cash Applied to Capital Transactions	(4,055)	(8,001)
Financing Transactions		
Net Financing Provided from General Revenues	590,235	639,637
(Decrease) Increase in Cash	(3,303)	3,514
Cash, Beginning of Year	3,918	404
Cash, End of Year	$ 615	$ 3,918

[a] Adjusted for provision for doubtful accounts.

[b] Adjusted for provision for vacation pay.

The accompanying notes and schedules are part of these financial statements.

Notes to the Ministry Financial Statements

For the year ended March 31, 2008

NOTE 1 Authority and Purpose

The Ministry of Employment, Immigration and Industry operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Employment, Immigration and Industry contributes to the Government of Alberta's priorities by working with partners to:

- Ensure all Albertans share in, and contribute to the economic prosperity of Alberta;
- Attract workers to the Province;
- Ensure that Alberta has a competitive and sustainable economy;
- Ensure that Alberta has strong and vibrant regions and rural communities;
- Ensure that Alberta has a fair, safe and healthy workplace;
- Ensure that Alberta has a fair, equitable and stable labour relations environment.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The PSAB financial statement presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the departments.

(a) Reporting Entity

The reporting entity is the Ministry of Employment, Immigration and Industry for which the Minister of Employment, Immigration and Industry is accountable. The Ministry's Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of the Ministry are deposited into the Fund and all cash disbursements made by the Ministry are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers
Internal government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada
Transfers from the Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual dedicated revenue exceeds budget, the Department may, with the approval of Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue iniatives.

Expenses

Directly Incurred
Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, and long-term disability.

Incurred by Others
Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)

Assets

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Net Liabilities

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Measurement Uncertainty

Measurement uncertainty exists when there is a significant variance between the amount recognized and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Measurement uncertainty also exists for outstanding tuition fee recoveries originally expensed in the Ministry's employment programs. Tuition fee recoveries are recorded in the year received. The amount of any outstanding recoveries cannot be reasonably estimated.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

NOTE 3 GOVERNMENT REORGANIZATION AND PRIOR PERIOD RESTATEMENT

As a result of the government restructuring announced on March 13, 2008, the Department of Employment and Immigration was created and is responsible for some programs from the Department of Employment, Immigration and Industry. Also, the Francophone Secretariat was added to the Department. Since the fiscal year 2007/08 was substantially complete prior to the announcement of Government restructuring, and to ensure accountability against the 2007 business plan, financial statements for the 2007/08 fiscal year are based on the previous government structure in place as at March 12, 2008.

As a result of the government restructuring announced December 13, 2006, additional program delivery support services were transferred between the Ministry and the Ministries of Seniors and Community Supports, Tourism, Parks, Recreation and Culture, International, Intergovernmental and Aboriginal Relations, and Municipal Affairs and Housing. The comparative for the year ended March 31, 2007 have been restated. The effect was to reduce Net Operating Loss from $649,816 to $645,508 and to reduce Net Transfers from General Revenues from $643,945 to $639,637.

NOTE 4 Accounts Receivable
(in thousands)

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 5,023	$ (200)	$ 4,823	$ 4,128
Refunds from suppliers	265		265	334
	$ 5,288	$ (200)	$ 5,088	$ 4,462

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 Advances
(in thousands)

	2008	2007
Travel advances	$ 25	$ 28
Program advances	5,130	5,130
	$ 5,155	$ 5,158

Travel advances are provided to Ministry employees to cover the cost of business travel. Program advances are for emergent benefits for clients.

NOTE 6 Valuation Adjustments
(in thousands)

	2008	2007
Provision for doubtful accounts	$ 1	$ 34
Provision for vacation pay	1,827	1,358
	$ 1,828	$ 1,392

NOTE 7 Tangible Capital Assets
(in thousands)

	Equipment	Systems Development and Enhancements	2008 Total	2007 Total
Estimated Useful Life	3 to 5 years	5 to 7 years		
Historical Cost[a]				
Beginning of year	$691	$35,884	$36,575	$28,710
Additions	-	4,064	4,064	8,871
Disposals	(24)	(86)	(110)	(1,006)
	667	39,862	40,529	36,575
Accumulated Amortization				
Beginning of year	543	20,482	21,025	18,930
Amortization expense	47	1,946	1,993	2,231
Disposals	(24)	(77)	(101)	(136)
	566	22,351	22,917	21,025
Net Book Value at March 31, 2008	$101	$17,511	$17,612	
Net Book Value at March 31, 2007	$148	$15,402		$15,550

[a] Historical cost includes work-in-progress at March 31, 2008 totaling $13,030 and is comprised of systems development and enhancements (2007 - $9,591).

NOTE 8 Contractual Obligations
(in thousands)

At March 31, 2008, the Ministry has the following contractual obligations:

	2008	2007
Service Contracts	$ 41,632	$ 41,373
Long-Term Leases	724	883
	$ 42,356	$ 42,256

The aggregate amounts payable for the unexpired terms of the contractual obligations are as follows:

	Service Contracts	Long-term Leases
2009	$21,951	$508
2010	9,844	175
2011	4,921	41
2012	2,442	-
2013	2,474	-
	$41,632	$724

NOTE 9 Contingent Liabilities

At March 31, 2008 the Ministry is a defendant in twelve legal claims (2007 – ten claims). These claims have specified amounts totaling $19.4 million (2007 - $17.9 million). Eleven claims amounting to $17.0 million are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 10 Funds Under Administration
(in thousands)

The Ministry administers funds which are managed for the purpose of the Employment Standards Trust Fund. These amounts have not been recorded in the Ministry's Financial Statements. As at March 31, 2008, funds under administration were as follows:

	2008			2007
	Total Assets	Total Liabilities	Net Assets	Net Assets
Employment Standards Trust Fund	$ 471	-	$ 471	$ 366

NOTE 11 Defined Benefit Plans
(in thousands)

Multi-Employer Pension Plans

The Ministry participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $13,330 for the year ending March 31, 2008 (2007 - $11,997).

At December 31, 2007, the Management Employees Pension Plan reported a deficiency of $84,341 (2006 – $6,765) and the Public Service Pension Plan reported a deficiency of $92,070 (2006 surplus $153,024). At December 31, 2007, the Supplementary Retirement Plan for Public Service Managers had a surplus of $1,510 (2006 – $3,698).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2008 the Bargaining Unit Plan reported an actuarial deficiency of $6,319 (2007 surplus - $153) and the Management, Opted Out and Excluded Plan an actuarial surplus of $7,874 (2007 - $10,148). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 12 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

NOTE 13 Approval of Financial Statements

These financial statements were approved by the Deputy Minister and the Chief Financial Officer.

Schedule 1

Revenues

For the year ended March 31, 2008

(in thousands)

	2008		2007
	Budget	Actual	Actual
Transfers from the Government of Canada			
Canada Social Transfer	$ 80,417	$ 79,144	$ 44,897
Labour Market Development Agreement Benefits	117,611	117,029	118,369
Rehabilitation of Disabled Persons	25,190	25,190	25,190
Canadian Agriculture Skills Service	2,500	3,769	1,523
Services to On-Reserve Status Indians	391	147	499
Other transfers		400	
	226,109	225,679	190,478
Internal Government Transfers			
Transfer from Lottery Fund	12,769	12,769	12,769
Fees, Permits and Licences			
Various	300	723	666
	13,069	13,492	13,435
Other Revenue			
Refunds of Previous Year Expenditures	3,100	7,748	11,293
Workers' Compensation Appeals	9,935	8,448	8,702
Occupational Health and Safety Transfer	20,900	20,900	14,100
Other	1,325	763	152
	35,260	37,859	34,247
	$ 274,438	$ 277,030	$ 238,160

Schedule 2

Dedicated Revenue Initiatives

For the year ended March 31, 2008

	(in thousands) 2008		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)
Expenses by Program			
Workplace Health and Safety [a]	$ 20,900	$ 20,900	
Canadian Agricultural Skills Service [b]	2,500	3,769	1,269
Lean Manufacturing Program [c]	35	4	(31)
Total Dedicated Revenue	$ 23,435	$ 24,673	$ 1,238

The revenue and expense related to the dedicated revenue initiatives are included in the Ministry's revenue and expense in the statement of operations. Shortfall, if any, is deducted from the current year's budget, as disclosed in Schedules 4 and 5 to the financial statements.

[a] Workplace Health and Safety Regional Services dedicated revenue, under the agreement with the Workers' Compensation Board, is for the purpose of defraying part of the costs of administering the *Occupational Health and Safety Act*.

[b] Treasury Board Minute No. 37/2005, dated October 25, 2005, approved recovery for defraying costs of administering the Canadian Agricultural Skills Services program in conjunction with the Ministry of Agriculture and Rural Development and Agri-Food Canada.

[c] Lean Manufacturing program revenue is from the sale of business manufacturing kits to Alberta manufacturing companies.

Schedule 3

Expense Directly Incurred – Detailed by Object

For the year ended March 31, 2008

(in thousands)

	2008 Budget	2008 Actual	2007 Actual
			Restated (Note 3)
Voted			
Salaries, Wages and Employee Benefits	$ 164,131	$ 169,245	$ 149,586
Supplies and Services	149,173	146,251	142,209
Supplies and Services from Shared Service Support Arrangements with Related Parties [a]	2,702	2,913	3,075
Grants	535,079	549,313	586,660
Financial Transactions and Other	155	154	116
Amortization of Tangible Capital Assets	3,438	1,993	2,231
Total Voted Expenses Before Recoveries	$ 854,678	$ 869,869	$ 883,877
Less Recovery from Shared Service Support Arrangements with Related Parties [b]	(493)	(1,509)	(1,601)
	$ 854,185	$ 868,360	$ 882,276
Statutory			
Valuation Adjustments (Note 6)			
Provision for Doubtful Accounts and Vacation Pay	$ 24	$ 1,828	$ 1,392

[a] The Ministry purchases financial and administrative support services from the Ministries of Education, Advanced Education and Technology, Justice and Attorney General, Seniors and Community Supports, and Children and Youth Services.

[b] The Ministry provides human resources, information technology, financial and other administrative support services to the Ministries of Children and Youth Services, Advanced Education and Technology and Seniors and Community Supports. Costs incurred for these services are recovered from these ministries.

Schedule 4

Budget

For the year ended March 31, 2008

(in thousands)

	2007-2008 Estimates[1a]	Adjustment	2007-2008 Budget	Authorized Supplementary[1b]	2007-2008 Authorized Budget
Revenue					
Transfer from the Government of Canada	$ 226,109		$ 226,109		$ 226,109
Internal Government Transfers[1c]	12,769		12,769		12,769
Fees, Permits and Licences	300		300		300
Other Revenue	35,260		35,260		35,260
	274,438		274,438	-	274,438
Expenses - Directly Incurred:					
Voted Expenses					
Ministry Support Services	21,665		21,665	500	22,165
Employment	644,559		644,559	22,120	666,679
Industry, Regional and Rural Development	40,494		40,494	(7,100)	33,394
Labour Standards and Workplace Safety	36,707		36,707		36,707
Immigration	67,930		67,930	200	68,130
Health Workforce Development	30,000		30,000		30,000
Labour Relations Board	2,995		2,995	100	3,095
Workers' Compensation Appeals	9,835		9,835	(1,260)	8,575
Dedicated Revenue Shortfall					
	854,185		854,185	14,560	868,745
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts and Vacation Pay	24		24		24
	854,209		854,209	14,560	868,769
Net Operating Results	$ (579,771)		$ (579,771)	$ (14,560)	$ (594,331)
Capital Investment	$ 3,698		$ 3,698	$ -	$ 3,698

[1a] Government and Lottery Fund estimates were approved on June 19, 2006.

[1b] Supplementary estimates were approved as follows: $5,600 to cover higher than budgeted cost of salary and wage settlements; $14,887 which includes $8,960 to cover additional costs of income support programs, and $5,927 which was reported by Finance.

Schedule 5

Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget

For the year ended March 31, 2008

(in thousands)

	2007-2008 Estimate	Adjustment	Authorized Supplementary [1]	2007-2008 Authorized Budget	2007-2008 Actual [2]	Unexpended (Over Expended)
Voted Expenses and Capital Investments						
Program 1 – Ministry Support Services						
1.0.1 Minister's Office	$ 440			$ 440	$ 432	$ 8
1.0.2 Deputy Minister's Office	545			545	539	6
1.0.3 Strategic Services	5,765		200	5,965	5,175	790
1.0.4 Corporate Services Office	348			348	343	5
1.0.5 Information Technology Management						
Operating Expense	6,227		300	6,527	6,156	371
Capital Investment	578			578	591	(13)
1.0.6 Human Resource Services	4,093			4,093	5,558	(1,465)
1.0.7 Finance Services	2,873			2,873	2,532	341
1.0.8 Freedom of Information and Privacy	628			628	622	6
1.0.9 Communications	621			621	604	17
1.0.10 Cabinet Policy Committee on Managing Growth Pressures	125			125	112	13
	22,243	–	500	22,743	22,664	79
Program 2 – Employment						
2.1.1 Planning and Program Management	10,295			10,295	11,404	(1,109)
2.1.2 Program Delivery and Support						
Operating Expense	114,451		3,600	118,051	121,914	(3,863)
Capital Investment	3,020			3,020	3,173	(153)
2.1.3 Child Support Services	5,313			5,313	5,058	255
2.2.1 Youth Connections	6,117			6,117	6,230	(113)
2.2.2 Career Development Services	42,321			42,321	45,281	(2,960)
2.2.3 Basic Skills and Academic Upgrading	14,851			14,851	19,647	(4,796)
2.2.4 Disability Related Employment Supports	9,459			9,459	8,193	1,266
2.2.5 Summer Temporary Employment Program	8,195			8,195	7,588	607
2.2.6 Training for Work	57,253		(3,180)	54,073	56,710	(2,637)
2.3.1 Alberta Child Health Benefit	25,168			25,168	23,602	1,566
2.3.2 Alberta Adult Health Benefit	8,409			8,409	9,991	(1,582)
2.3.3 Learners Health Benefits	3,533			3,533	2,424	1,109
2.3.4 People Expected to Work – Health Benefits	19,362			19,362	18,275	1,087
2.3.5 People Not Expected to Work – Health Benefits	40,229			40,229	41,529	(1,300)
2.4.1 Living Allowance for Learners	47,488		4,500	51,988	58,825	(6,837)
2.4.2 People Expected to Work	121,930		8,200	130,130	129,870	260
2.4.3 People Not Expected to Work	105,585		9,000	114,585	114,429	156
2.4.4 Widows' Pension	4,600			4,600	4,647	(47)
	647,570	–	22,120	669,690	688,790	(19,091)

[1] Supplementary estimates were approved as follows: $5,600 to cover higher than budgeted cost of salary and wage settlements; $14,857 which includes $8,960 to cover additional costs of income support programs, and $5,927 which was reported by Finance.

[2] Includes achievement bonuses of $3,032.

Schedule 5 (continued)

Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget

For the year ended March 31, 2008

(in thousands)

	2007-2008 Estimate	Adjustment	Authorized Supplementary[1]	2007-2008 Authorized Budget	2007-2008 Actual[2]	Unexpended (Over Expended)
Program 3 - Industry, Regional and Rural Development						
3.1.1 Program Development and Support						
Operating Expense	6,467		200	6,667	5,253	1,414
Capital Investment					300	(300)
3.2.1 Investment and Industry Development	8,159		200	8,359	8,792	(433)
3.2.2 Centre for Aircraft Certification	7,500		(7,500)			
3.2.3 Partnership with Industry and Employers	4,334			4,334	4,854	(520)
3.2.4 Northern Alberta Development Council	2,421			2,421	2,680	(259)
3.2.5 Alberta Economic Development Authority Operations	431			431	336	95
3.3.1 Rural Development	1,686			1,686	1,418	268
3.3.2 Contribution to Rural Alberta's Development Fund						
3.3.3 Regional Development	9,496			9,496	11,535	(2,039)
	40,494	–	(7,100)	33,394	35,168	(1,774)
Program 4 - Labour Standards and Workplace Safety						
4.1.1 Program Support	1,703			1,703	1,671	32
4.2.1 Mediation	898			898	864	34
4.2.2 Labour Relations Policy and Facilitation	1,105			1,105	1,036	69
4.2.3 Professions and Occupations	1,281			1,281	951	330
4.3.1 Legislation, Policy and Technical Support	6,582			6,582	5,929	653
4.3.2 Partnerships	1,953			1,953	1,678	275
4.3.3 Regional Services	12,966		400	13,366	13,149	217
4.4.1 Legislation, Policy and Technical Support	2,760			2,760	2,165	595
4.4.2 Regional Services	6,468		300	6,768	6,076	692
4.5.1 Medical Panels for Alberta Workers' Compensation	991		(700)	291	263	28
	36,707			36,707	33,782	2,925
Program 5 - Immigration						
5.1.1 Immigration Policy Support	1,119		200	1,319	1,477	(158)
5.2.1 Settlement Service and Enhanced Language Training	6,074			6,074	6,290	(216)
5.2.2 International Qualification Assessment Services	1,669			1,669	1,353	316
5.2.3 Provincial Nominee Program	4,085			4,085	1,753	2,332
5.2.4 International Marketing	4,483			4,483	4,952	(469)
5.2.5 English as a Second Language	11,950			11,950	10,529	1,421
5.2.6 Bridging Program	8,950			8,950	3,291	5,659
5.2.7 Living Allowance for Immigrants	29,600			29,600	20,667	8,933
	67,930		200	68,130	50,312	17,818
Program 6 - Health Workforce Development						
6.0.1 Health Workforce Development	30,000			30,000	29,969	31
	30,000	–		30,000	29,969	31
Program 7 - Labour Relations Board						
7.0.1 Labour Relations Board	2,995		100	3,095	3,292	(197)
	2,995		100	3,095	3,292	(197)
Program 8 - Workers' Compensation Appeals						
8.0.1 Appeals Commission for Alberta Workers' Compensation						
Operating Expense	9,935		(1,260)	8,675	8,447	228
Capital Investment	100			100		100
	9,935		(1,260)	8,675	8,447	228
Dedicated Revenue Shortfall						
Total Voted Expenses and Capital Investments	$ 857,881		$ 14,560	$ 872,443	$ 872,424	$ 19
Program Operating Expense	854,185		14,560	868,745	868,360	385
Program Capital Investment	3,698			3,698	4,064	(366)
	$ 857,883	–	$ 14,560	$ 872,443	$ 872,424	$ 19
Statutory Expenses						
Valuation Adjustments	24			24	1,828	(1,804)
Total Statutory Expenses	$ 24		$ –	$ 24	$ 1,828	$ (1,804)

[1] Supplementary estimates were approved as follows: $5,600 to cover higher than budgeted cost of salary and wage settlements, $14,887 which includes $8,960 to cover additional costs of income support programs, and $5,927 which was repealed by Finance.

[2] Includes achievement bonuses of $3,032.

Schedule 6 (a)

Salary and Benefits Disclosure

For the year ended March 31, 2008

	2008				2097
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Deputy Minister[4]	$ 230,520	$ 39,500	$ 55,971	$ 325,991	$ 299,804
Executives					
Assistant Deputy Ministers					
Delivery Services	164,736	26,260	40,648	231,644	217,006
Immigration, Economic and Rural Development	164,736	37,688	40,097	242,521	226,401
Workforce Supports	164,736	22,306	40,060	227,102	213,011
Labour Standards and Workplace Safety	164,736	20,329	40,120	225,185	211,478
Corporate Services	169,028	36,223	41,375	246,626	221,506
Strategic Services and Information	154,524	24,261	37,608	216,393	195,511

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

Schedule 6 (b)

Salary and Benefits Disclosure

NORTHERN ALBERTA DEVELOPMENT COUNCIL

For the year ended March 31, 2008

	2008				2007
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Executives					
Executive Director, Northern Alberta Development Council	$ 115,344	$ 8,657	$ 28,003	$ 152,004	$ 134,845

Prepared in accordance with Treasury Board Directive 12/98 as amended.

[1] Base salary includes regular base pay.

[2] Other cash benefits include bonuses, vacation payouts and lump sum payments.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

Schedule 6 (c)

Salary and Benefits Disclosure

LABOUR RELATIONS BOARD

For the year ended March 31, 2008

	2008				2007
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Official					
Chair[4][5]	$ 237,303	$ 30,656	$ 10,178	$ 278,137	$ 246,019
Executives					
Vice Chair[5]	136,105	11,929	1,669	149,703	157,901
Vice Chair	139,056	11,929	34,455	185,440	173,942
Vice Chair[6]	152,714	17,775	35,008	205,497	172,568
Executive Director	134,868	10,941	33,514	179,323	165,481

Prepared in accordance with Treasury Board Directive 12/98 as amended.

[1] Base salary includes regular base pay.

[2] Other cash benefits include bonuses, vacation payouts and lump sum payments.

[3] Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

[4] Automobile provided, no dollar amount included in benefits and allowances figures.

[5] Salary includes pay in lieu of benefits.

[6] This position was occupied by two individuals during the year.

Schedule 6 (d)

Salary and Benefits Disclosure

WORKERS' COMPENSATION APPEALS

For the year ended March 31, 2008

	2008				2007
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Senior Officials					
Chief Appeals Commissioner[4]	$ 174,792	$ 27,719	$ 42,959	$ 245,470	$ 229,344
Full Time Commissioners[5]	2,693,467	211,982	307,174	3,212,623	3,031,608
Temporary Appeals Commissioners[6]	906,588			906,588	1,135,903

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Commissioners consist of 21 full time individuals.

(6) Salary is the honoraria paid from April 1, 2007 to March 31, 2008 for 31 part time Commissioners.

Schedule 7

Related Party Transactions

For the year ended March 31, 2008
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry receives services under contracts managed by the Ministry of Service Alberta. Any commitments under these contracts are reported by the Ministry of Service Alberta.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2008	2007
Revenues		
Internal Government Transfers	$12,769	$12,769
Expenses - Directly Incurred		
Other Services	$ 3,658	$ 4,095
Tangible Capital Asset Transfers		($850)

The above transactions do not include shared service support arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not included in the financial statements.

	Other Entities	
	2008	2007
Expenses - Incurred by Others		
Accommodation	$ 19,706	$ 17,480
Legal Services	667	329
Other Services	7,988	7,620
	$ 28,361	$ 25,429

Schedule 8

Allocated Costs

For the year ended March 31, 2008

(in thousands)

Program	2008						Restated(Note 3)	
	Directly Incurred Expenses	Expenses - Incurred by Others			Valuation Adjustments[5]		2008 Total Expenses	2007 Total Expenses
		Accommodation Costs	Legal Services	Other Services	Doubtful Accounts	Vacation Pay		
	(1)	(2)	(3)	(4)	(6)	(7)		
Ministry Support Services	$ 22,073	$ 897	$ 155	$ 207		$ 236	$ 23,568	$ 20,691
Employment	685,617	14,607	200	6,048		1,216	707,688	658,629
Industry, Regional and Rural Development	34,868	2,425	9	367		9	37,678	127,866
Labour Standards and Workplace Safety	33,782	1,494	300	343		330	36,249	30,038
Immigration	50,312			631		126	51,069	59,804
Health Workforce Development	29,969			280			30,249	
Labour Relations Board	3,292	139		32		10	3,473	3,085
Workers' Compensation Appeals	8,447	144	3	80		(99)	8,575	8,984
	$ 868,360	$ 19,706	$ 667	$ 7,988	-	$ 1,828	$ 898,549	$ 909,097

(1) Expenses as per Statement of Operations excluding valuation adjustments.

(2) Costs shown for Accommodation in Schedule 7 have been allocated as follows:

- Where buildings accommodate staff for one program, costs are allocated to the specific program.
- Where buildings accommodate staff for for two programs, costs are allocated equally between programs.
- Buildings which accommodate multi-programs, costs are allocated based on ratio of staff employed in each program.

(3) Costs shown for Legal Services in Schedule 7 have been allocated based on hours of work performed.

(4) Costs shown for Other Services in Schedule 7 have been allocated based on value of services provided.

(5) Valuation adjustments as per Statement of Operations.

(6) Provision for doubtful accounts have been allocated based on actual provision relating to the program.

(7) Provision for vacation pay has been allocated based on actual liability recorded.

Supplementary Ministry Financial Information

- Ministry Expense by Function
- Statement of Remissions, Compromises and Write-Offs

Ministry Expense by Function

For the year ended March 31, 2008

(in thousands)

	2007-08		2006-07
	Budget	Actual	Actual Restated
Education			
Social Services	$ 189,217	$ 204,841	$ 223,372
International Qualifications Assessment Services	1,669	1,353	922
Education Program Support	47,832	51,221	49,372
	238,718	257,415	273,666
Social Services			
Social Services	325,283	342,342	316,662
Ministry Support Services	21,665	22,073	20,789
Social Services Program Support	82,227	87,213	84,065
	429,175	451,628	421,516
Agriculture, Resource Management and Economic Dev			
Industry, Regional and Rural Development	38,073	32,188	127,059
Immigration	66,261	48,959	17,370
	104,334	81,147	144,429
Regional Planning and Development			
Northern Alberta Development Council	2,421	2,680	2,012
Protection of Persons and Property			
Labour Standards and Workplace Safety	36,707	33,782	28,917
Labour Relations Board	2,995	3,292	3,034
Workers' Compensation Appeals	9,835	8,447	8,702
	49,537	45,521	40,653
Health			
Health Development Workforce	30,000	29,969	-
	30,000	29,969	-
General Government			
Valuation Adjustments	24	1,828	1,392
	24	1,828	1,392
Expense by Function	$ 854,209	$ 870,188	$ 883,668

Un-audited information as per Finance 2008 Ministry Annual Report Standards.

Statement of Remissions, Compromises and Write-Offs

For the year ended March 31, 2008

(in thousands)

The following Statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The Statement includes all remissions, compromises and write-offs of the Ministry of Employment, Immigration and Industry made or approved during the fiscal year.

Remissions under section 26 of the *Financial Administration Act*:	$ -
Compromises under section 27 of the *Financial Administration Act*:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	17
Bankruptcies:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	219
Learners Support	8
Miscellaneous	3
	230
Write-Offs:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	12,118
Learners Support	5
Widows' Pension Program	84
Miscellaneous	129
	12,336
	$ 12,583

Un-audited information as per Finance 2008 Ministry Annual Report Standards.

Workers' Compensation Board Financial Statements

- Management Discussion and Analysis of 2007 Financial Statements and Operating Results
- Responsibility for Financial Reporting
- Auditor's Report
- Actuary's Report
- Balance Sheet
- Statement of Operations
- Statement of Comprehensive Income
- Statement of Changes in Funded Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule A – Salaries and Benefits

Management Discussion and Analysis of 2007 Financial Statements and Operating Results

The Management Discussion and Analysis (MD&A) provides management's perspective on key issues that affect current and future performance of the Workers' Compensation Board of Alberta (WCB-Alberta, WCB). The MD&A, prepared as at March 20, 2008, should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2007.

Forward-looking statements

This report contains forward-looking statements about certain matters that are by their nature subject to many risks and uncertainties, which may cause actual results to differ materially from the statements made herein. Forward-looking statements include, but are not limited to, WCB objectives, strategies, targeted and expected financial results, and the outlook for WCB's business and for the Alberta and global economies. Risks and uncertainties include, but are not limited to, changing market, industry and general economic factors or conditions; changes in legislation affecting WCB policies and practices; changes in accounting standards; the ability to retain and recruit qualified personnel; and other risks, known or unknown. Some are predictable or within WCB control; many others are not. The reader is hereby cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise indicated, all amounts shown are in millions of Canadian dollars.

Business Overview

Corporate profile

Founded in 1918, the Workers' Compensation Board is a not-for-profit organization with a legislative mandate under the Workers' Compensation Act (the Act) to administer the workers' compensation system for the province of Alberta. While accountable to the Minister of Employment and Immigration, WCB is not a provincial government department or Crown corporation, but is independently funded and operated as an insurance enterprise. Through the payment of premiums, over 135,000 employers fund the system, which covers more than 1.74 million workers.

WCB's mandate

In Canada, workers' compensation is a no-fault disability insurance system that protects both employers and workers against the economic impact of work-related injuries and occupational diseases. Based on the Meredith Principle,[1] the system covers injured workers for lost employment income and provides health care, rehabilitation and other services required because of a work-related injury, while employers are shielded from litigation. This system brings economic stability to the workplace through collective liability that minimizes the risks and expenses of injury. To achieve these objectives, the Act established the Accident Fund and imposed a statutory obligation on the WCB to ensure that it be fully funded.

[1] Refer to the Glossary for an outline of the concepts.

At the highest and simplest level, WCB-Alberta is involved in two significant and complementary business activities: customer operations and financial management.

Customer operations provides disability insurance for workplace injuries. Key business processes include assessment and collection of premiums from employers, payment of compensation benefits to injured workers and return-to-work services.

Financial management uses an integrated risk-based approach to manage assets and liabilities and generate an adequate return on invested assets to pay for claim-related obligations. Key business processes include strategic financial planning, rate setting, investment management, claim benefit liability valuation, financial risk management and financial-performance reporting. Strong financial management not only ensures security of benefits for workers and fair premiums for employers, but also provides appropriate tools for evaluating how effectively WCB is meeting its financial obligations.

WCB VISION AND MISSION

The core principles set out in WCB's vision and mission shape the corporate beliefs and values that guide the organization's operating philosophy:

Vision
Albertans working - a safe, healthy and strong Alberta

Mission
WCB-Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans.

WCB's strategic vision is to make a positive and lasting impact on the people, society and economy of Alberta through what it does, while the mission statement describes the operating guidelines for how it intends to conduct business.

2007 Financial Performance

Operating Highlights
Once again, the major themes underscoring WCB-Alberta's financial results for fiscal 2007 centre around the Alberta economy and the global capital markets. Behind the headline stories, WCB's commitment to service excellence continued to deliver record results in operating outcomes that contributed significantly to another strong financial performance. The important themes that underscore the 2007 performance include the following:

- Total revenue of $1,546.7 million offset by total expenses of $959.1 million yields an operating surplus of $587.5 million, a decrease of 21.6% over the $749.4 million surplus in 2006. These operating results contributed to the Funded Position of $1,673.3 million, or 133.0%, which is net of special dividends of $348.7 million payable in 2008. This dividend arises primarily from the exceptional investment returns over the past several years; however, recent market performance suggests much lower returns for the near term.

- Total premium revenue of $977.7 million is down 2.5% from the $1,003.3 million in 2006, reflecting the drop in the average provisional premium rate from $1.57 per $100.00 of insurable earnings in 2006 to $1.43 in 2007.

- Investment revenue is down in 2007 at $568.0 million compared to $718.2 million in 2006 due to a significant drop in the gains from the investment portfolio. During the second half of 2007, financial markets responded to significant write-downs on debt instruments triggered by the sub-prime mortgage situation. What started as a liquidity crunch soon turned into a global credit crisis with significant risk repricing. These market events led to an annualized return of 2.9% for WCB's investment portfolio at the end of 2007, down from the 2006 return of 12.1%.

- Total claim costs of $855.3 million decreased $30.2 million, or 3.4%, from the previous year due primarily to lower long-term disability benefit costs and a decline in claim volume. Effective case management and the ongoing focus on return-to-work outcomes continued to produce impressive results on the cost side. Average claim duration continued its downward trend, ending the year at 33.0 days. Claim volume of 175,297 is down 3.2% from 2006 even though provincial employment growth of 4.3%[2] is comparable to the previous year. Administration and other expenses of $103.8 million brought total expenses to $959.1 million, or 1.5% lower than 2006.

The table below summarizes the major contributors to WCB's operating surplus of $587.5 million.

($millions)	2007 Budget	2007 Actual	2006 Actual
Premiums			
Surplus premium revenue resulting from the actual premium rate collected of $1.46 (2006 - $1.63) being higher than the required premium rate of $1.31 (2005 - $1.34), based on insurable earnings	$ -	**$ 96.1**	$ 176.3
Investments			
Excess of investment income over the interest requirement of $242.5 million (2006 - $229.4 million) on the claim benefit liability	110.5	**325.5**	488.8
Claim benefit liabilities			
Change in discount rate on claim benefit liabilities	-	**(114.8)**	-
Other changes in actuarial methods and assumptions	-	**194.4**	(8.2)
Actuarial adjustments due to claims experience	29.2	**91.3**	86.0
Other			
Other revenue (expense) items	0.6	**(5.0)**	6.5
Operating surplus	$ 140.3	**$ 587.5**	$ 749.4

In its simplest terms, the funding model for WCB operates on the premise that in a given year, premiums cover all operating costs on a break-even basis, while investment returns are expected to cover the annual interest requirement on the liability. Operating surpluses or deficits arise when actual cost and returns are different from forecasted expectations, which rely on economic and business assumptions based on available information at a point in time. Given the volatile performance of local and global economies, forecasting is subject to a great deal of uncertainty and risk. Consequently, actual results will likely differ significantly from even the most rigorously developed plans.

[2] Alberta Employment and Immigration, *Labour Force Statistics, December 2007*

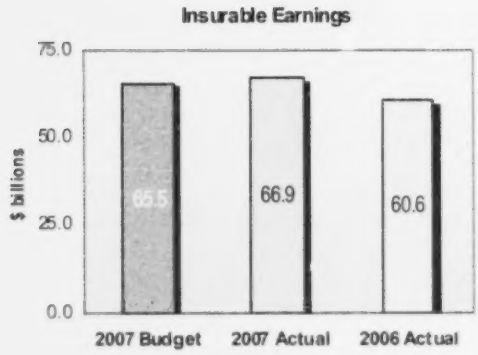
Customer Operations

PREMIUMS

Insurable earnings

- $1.4 billion (2.1%) over budget

Alberta's economy continues to apply upward pressure on payrolls, increasing 2007 insurable earnings to $66.9 billion compared to the budget of $65.5 billion. The business/personal/professional services sector showed the largest absolute increase against the budget, at 6.5%, followed by construction at 3.6%.



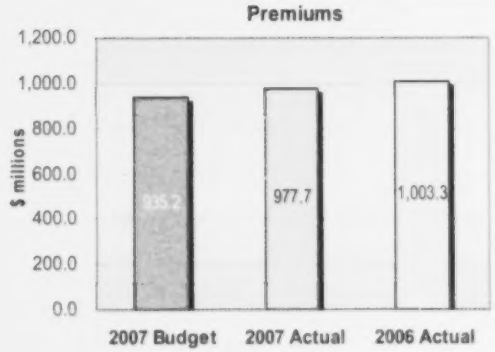
- $6.3 billion (10.4%) over prior year

Alberta employment growth and wage escalation were the primary factors for the 10.4% increase in 2007, with the construction and business/personal/professional services sectors leading the way with 17.0% and 14.6% increases, respectively.

Premium revenue

- $42.5 million (4.5%) over budget

The 2007 positive variance in premium revenue of $42.5 million stemmed primarily from higher increases in insurable earnings than planned, particularly in higher-rated industries. Again, construction led all sectors at $14.9 million, or 4.9% higher than the budget, with business/personal/professional services at $11.4 million (18.0%) and trade following at $11.3 million (9.9%).



- $25.6 million (2.5%) under prior year

The decrease in revenues from $1,003.3 million to $977.7 million was due primarily to the reduction in the average provisional premium rate from $1.57 for 2006 to $1.43 for 2007.

PREMIUM RATES

Total premium revenue requirements for rate-setting purposes are based on projected operating expenses for the following year. Base revenue requirements are composed of fully funded costs of claims arising in the current year, administration costs related to those claims, general administration expenses for WCB operations, and transfer levies. In addition, premiums include a funding levy for the Occupational Disease Reserve plus any special levies necessary to replenish the Accident Fund in accordance with the Funding Policy.

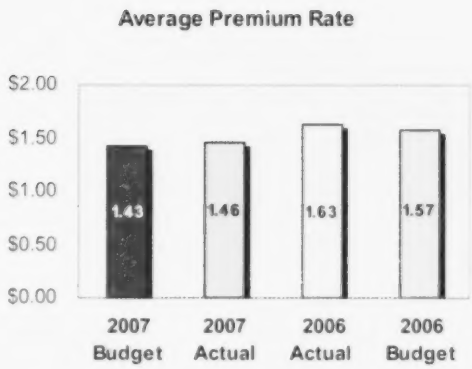
Average premium rate

- $0.03 (2.1%) over budget

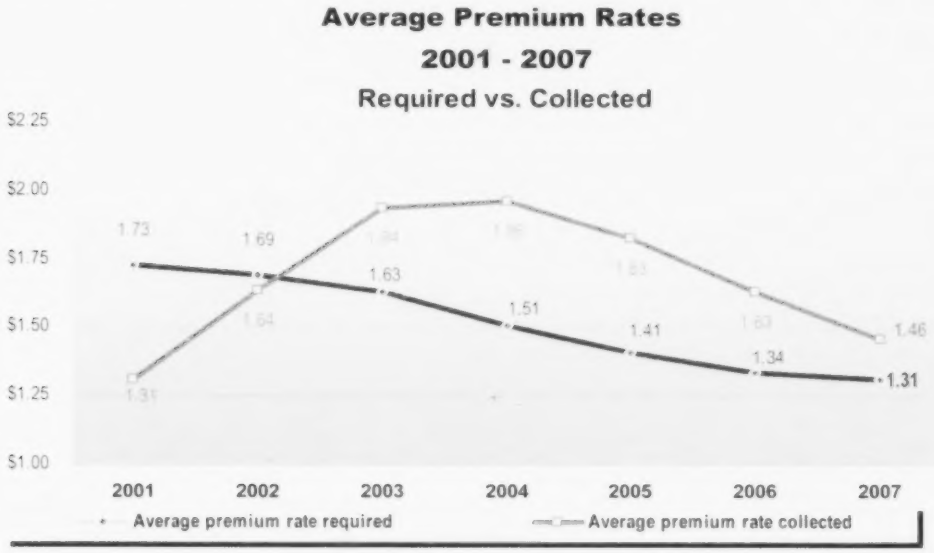
Similar to 2006, higher wage growth, primarily in higher-rated industries, resulted in an average actual rate that was $0.03 above budget.

- $0.14 (8.9%) budget reduction from prior year

The reduction from $1.57 to $1.43 in the average budget rate reflects reductions in the requirements for operating costs.



The chart below presents a seven-year trend comparison of required versus collected premium rates. In 2001, the shortfall in the required rate resulted from subsidizing the rates through excess investment returns. Current and future premium rates are no longer discounted, as the Funding Policy stipulates that the required rate and resulting revenue cover the current-year fully funded claim costs.

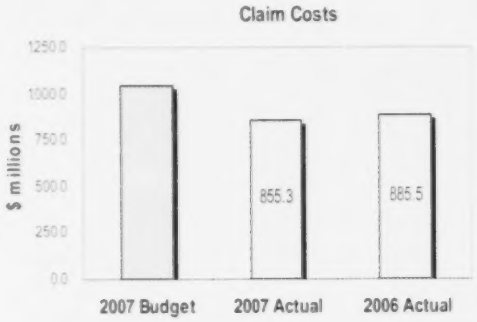


The 2007 premium requirement and rate were based on projected fully funded claim costs and insurable earnings using the best information available in early Q4 2006. Better-than-expected cost performance, coupled with higher-than-estimated insurable earnings, culminated in higher premiums collected than required for fiscal 2007. The surplus premium of $96.1 million accounts for 16.4% of the overall operating surplus.

Claim Costs

Claim costs are an estimate of current and future costs arising from compensable injuries occurring in 2007, the future costs to administer these claims, and claim benefit liability adjustments relating to prior years' injuries.

Claim costs



- $192.0 million (18.3%) under budget

An unexpected drop in claim volume, sound management of current-year and prior-year claims expenditures, and favourable adjustments to the claim benefit liability resulted in lower-than-expected claim costs.

- $30.2 million (3.4%) under prior year

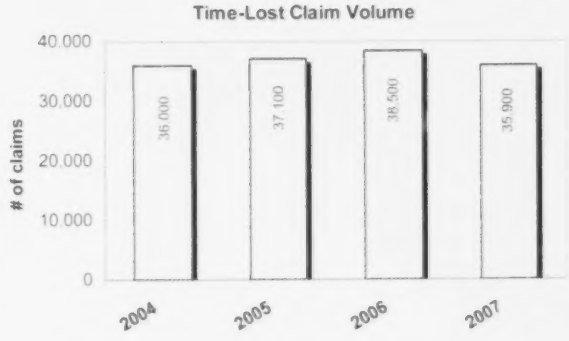
Continued improvement in claim resolution and return-to-work outcomes more than offset the effects of wage growth, resulting in claim costs being slightly lower than the prior year.

Claim benefit costs

Processed claim-benefit costs for 2007 were well below expectations. Lower volume and costs of economic loss payment and survivor cases contributed $42.5 million to the positive budget variance. Health care costs were $35.0 million lower than expected due to decreasing volume and duration of injuries, while the impact of lower claim volume on other cost categories accounts for another $37.2 million of the variance. The remaining $77.3 million of the claim costs variance stems primarily from the effects of these declining costs and volumes on the claim benefit liability.

Claim volume

The Alberta economy added 82,500[3] jobs during 2007, a year-over-year gain of 4.3%. Similarly, the number of workers covered by WCB increased by 5.7%. Despite rising employment, time-lost-claim (TLC) volume fell from 38,500 in 2006 to 35,900 in 2007, a drop of 6.8%.



The increase in covered workers, coupled with the drop in TLC volume, resulted in the TLC projected rate dropping to 2.06 claims per 100 workers, a substantial decrease of 11.6%. Similarly, the disabling-injury rate (TLC + modified-work-only cases = disabling injuries) dropped by 8.3% to 3.64 disabling injuries per 100 workers.

[3] Alberta Employment and Immigration, *Labour Force Statistics, December 2007*

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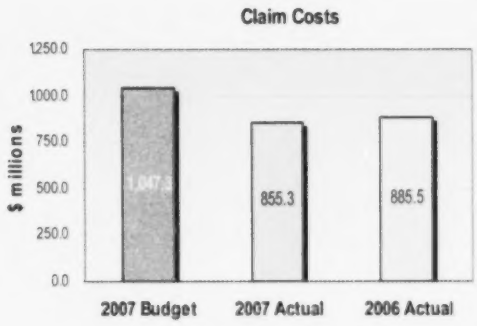

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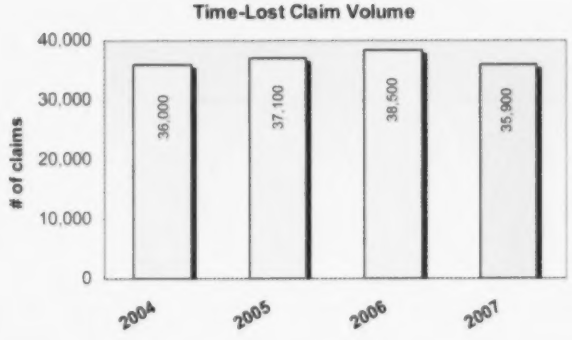

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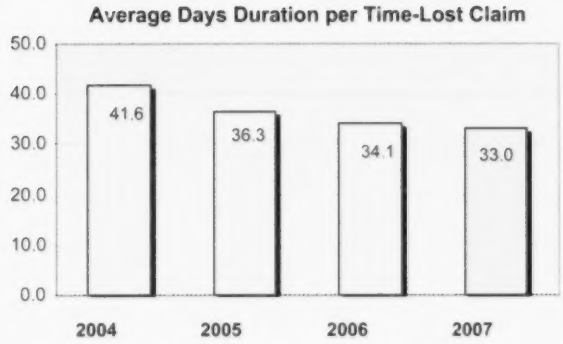
Claim duration

Effective case management, medical management, innovative modified work programs and coordinated return-to-work planning resulted in another record achievement for claim duration (average elapsed time from accident to return to work) of 33.0 days, down from 34.1 days in 2006.



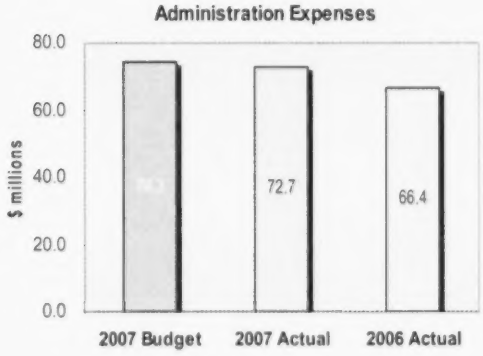
ADMINISTRATION

- $1.6 million (2.1%) under budget

Administration came in under budget, mainly due to effective expenditure management and lower-than-expected employee benefit costs.

- $6.3 million (9.5%) higher than prior year

The increase over 2006 reflects inflationary pressure on operating costs from Alberta's rapidly expanding economy. Over the past five years, administration expenses have increased on average by 3.8% per year.



Administration expenses exclude claim-related administration costs (2007 - $70.8 million, 2006 - $65.4 million) that are included in claim costs.

Financial Management

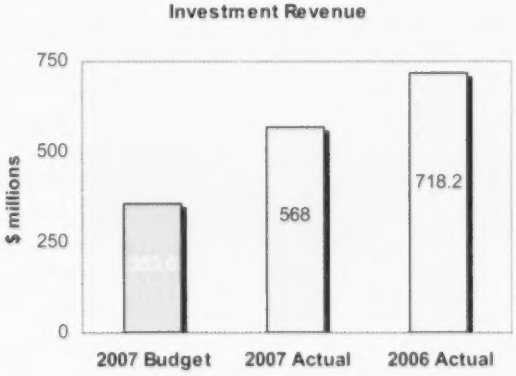
Investment revenue

- $214.4 million (60.6%) over budget

The primary contributor to the 2007 budget variance was the currency hedging program, which generated $118.3 million, while portfolio gains released from Accumulated Other Comprehensive Income were $62.5 million higher than expected.

- $150.2 million (20.9%) under prior year

The decrease from 2006 is due to a significant drop in gains realized from portfolio turnover, as well as generally lower bond yields.



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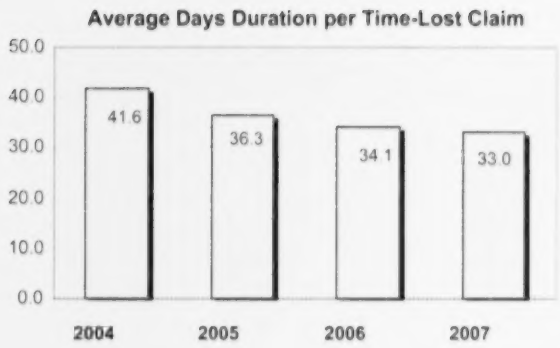

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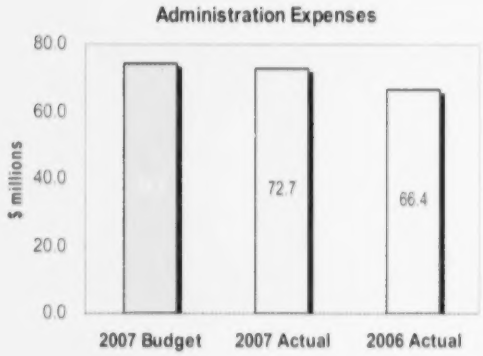

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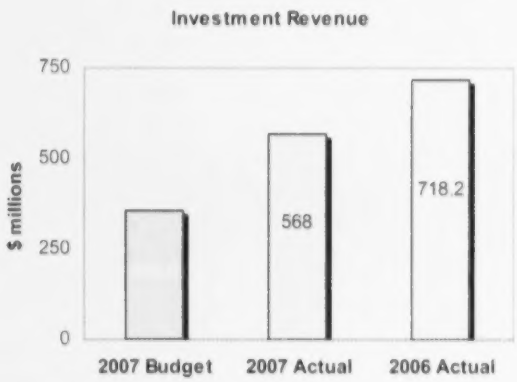


Investments

From 2004 to 2007, investment returns were one of the key drivers of WCB's exceptional financial results. The following discussion provides an overview of the economic and market forces that had a direct impact on WCB's investment portfolio and returns.

Capital markets overview

Financial markets enjoyed sustained growth as the world economy recorded real GDP growth of 4.7% in 2007, down moderately from a rising trend in 2006.[4] Gains in equity prices in emerging markets coincided with generally favourable macroeconomic conditions and a strong appetite for risk among global investors. Among major asset classes, 2007 performance was led by emerging market equities.

Another event in 2007 was the significant contraction in liquidity following the collapse of the sub-prime mortgage market. Concerns in the financial and housing sectors related to sub-prime mortgages and their spillover into the securitized-debt market rapidly affected liquidity and valuations on a global scale, leading to a repricing of risk throughout the capital markets.

These issues affected the domestic fixed income market when the Canadian non-bank sponsored asset-backed commercial paper (ABCP) market collapsed, culminating in loss of liquidity and declining valuations. As at December 31, 2007, WCB's indirect exposure through pooled investment funds, consisting primarily of bank-sponsored paper and structured investment vehicles, totaled approximately $56.3 million. As the December 31, 2007 valuation of the pooled investments reflects the current market value of these products, any differences from their year-end valuations that may arise through eventual sale or maturity should not materially affect WCB's financial position or results in 2008.

PORTFOLIO PERFORMANCE

Market returns

The portfolio earned a nominal market rate of return of 2.9% for 2007 (0.8% below the policy benchmark) and earned 9.4% for the four-year period ended December 31, 2007 (0.1% above the benchmark). This is still well above long-term expectations of 6.3% per annum from the 2007 Asset-Liability Study. The primary goal of the investment portfolio is to earn a real rate of return (nominal rate less inflation) that meets or exceeds the actuarial required real rate of return. On this basis, the real rate of return for 2007 of negative 2.0% (nominal rate of 2.9% less inflation of 4.9%) was well below the actuarial required rate of 3.0%. It is important to note that because the portfolio is designed to produce sustainable positive returns over a long investment horizon, the risk of short-term volatility is anticipated and managed in accordance with the Investment Policy.

Benchmark returns

The benchmark return is composed of benchmark index returns for each asset class, weighted by the policy asset mix. Performance vs. the benchmark is a relative measure of success in implementing the investment program through active management. In all asset classes except Canadian bonds, Canadian equities and global equities, the portfolio outperformed the benchmarks as a result of the successful active management strategies deployed by fund managers. For the underperforming asset classes, the key factor was the desire to hold assets

[4] Alberta Employment and Immigration, *Economic Outlook for Alberta Spring Update March 2008*, World Trade and GDP Growth

with strong potential for long-term appreciation rather than assets that respond to short-term market fluctuations.

The *2007 Annual Investment Report* at www.wcb.ab.ca contains a detailed analysis of portfolio returns.

Investment Policy

The Investment Policy contains the goals, objectives and target asset mix for the portfolio. It also describes the permitted investments, constraints and controls for management of the portfolio. The underlying investment philosophy emphasizes minimizing volatility while maximizing returns. The desired outcome is to generate investment returns over the long term that exceed the actuarial required real rate of return (currently 3.0%) with greater certainty. Investment returns are expected to cover the annual interest requirement of the liability.

PORTFOLIO MANAGEMENT

Asset mix

Asset mix is the primary driver of portfolio risk and return, with targets defined in the Investment Policy. As at December 31, 2007, the investment portfolio was in compliance with the Investment Policy.

2007 Asset Mix vs. Policy Mix

Asset Class	Actual Asset Mix[1]	Policy Asset Mix
Cash and cash equivalents	1.2%	1.0%
Conventional bonds and mortgages	41.8%	40.5%
Real return bonds	6.7%	8.0%
Real estate	5.5%	5.0%
Canadian equity	11.2%	11.5%
Global equity	29.2%	30.0%
Emerging-markets equity	4.4%	4.0%
	100.0%	100.0%

[1] Asset mix percentages reflect the effects of asset overlay contracts secured against the cash balance of the portfolio. Asset overlays are a portfolio management technique used to achieve desired exposures without actually holding market securities directly.

Use of derivatives

WCB's investment portfolio includes derivatives that are used to manage asset exposures. Derivative contracts are undertaken to provide market exposure, to replicate permitted investments, or as part of a hedging strategy to reduce portfolio risk. They are used only within stringent guidelines and controls, and not for speculative reasons. Derivative positions are monitored on a monthly basis for compliance with the Investment Policy and reported to senior management and WCB's Finance Committee on a quarterly basis.

The investment portfolio includes passive currency overlays to hedge foreign-currency exposure. Fifty per cent (+/- 10%) of the foreign-currency exposure assumed through the global-equity asset class is hedged back to Canadian dollars, while 100% of the new global-fixed-income mandate is hedged. Hedging transactions are executed through an external overlay manager independent of the underlying foreign-equity managers, and the performance impact is clearly separated and monitored.

Enhanced risk management
During 2007, WCB initiated research into a structured risk-management approach that quantifies and monitors risk in an integrated and disciplined manner through the systematic evaluation of risk tolerance, development of risk metrics, and analytical reporting of risk performance. Implementation of this approach is anticipated to begin in 2008.

Claim Benefit Liabilities

At the end of each fiscal year, WCB determines its claim benefit liabilities for all injuries that have taken place up to that date. These liabilities represent the actuarial present value of all future benefit and related administration costs, excluding costs attributable to self-insured employers. As at December 31, 2007, claim benefit liabilities aggregated to $4,606.3 million, an increase of $209.4 million, or 4.8%, over 2006.

Significant changes in liabilities
The overall increase in the liability of $209.4 million is attributable to the following:

($ millions)	
Provision for future costs of current-year injuries	$ 563.5
Interest requirement on the liability	242.5
Benefit payments for prior years' injuries	(425.7)
Change in the real discount rate from 3.25% to 3.00%	114.8
Changes in actuarial methods and assumptions	(194.4)
Claim-cost-experience gains	(91.3)
	$ 209.4

Actuarial methods and assumptions
The most significant change in methods and assumptions was the reduction in the real discount rate[5] from 3.25% to 3.00%, which increased the liability by $114.8 million. As the real discount rate decreases, the amount of assets needed to pay for the projected future benefits increases; hence, the value of the liability also increases.

The following changes in the methods and assumptions used to value the liability decreased the liability by $194.4 million:

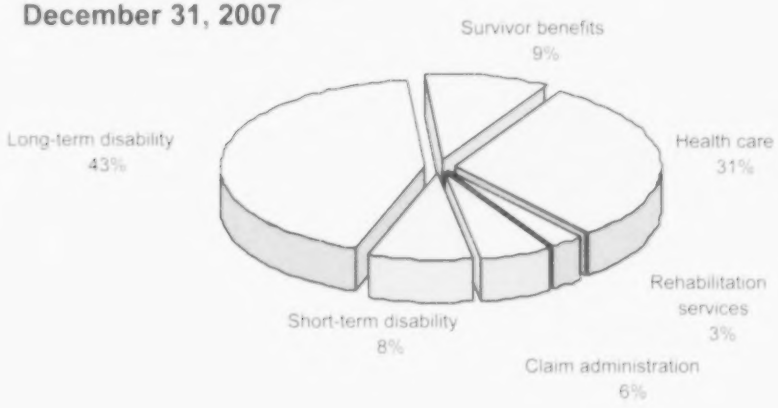
- introduction of development rates and transfer probabilities for economic loss payments (ELPs) ($55.4 million)
- new incidence rates for outstanding ELPs ($125.1 million)
- other changes ($13.9 million)

Impact of claims experience
Differences between actual experience and what was expected in the prior valuation result in experience losses (which increase the liability) or gains (which decrease the liability). The difference between actual long-term cost-of-living adjustments and inflation, versus what was expected, resulted in a loss of $77.1 million. Actual claim costs were lower than expected, resulting in a $168.4 million gain. Net claims-experience gains were therefore $91.3 million. Claims-experience gains of $168.4 million include the following factors:

[5] Refer to the Glossary for further explanation of the rate.

($ millions)		
Lower volume of ELP awards in 2007 than expected	$	72.2
Greater-than-expected recovery of pre-accident earnings for ELPs		25.5
Lower health-care costs experience		20.0
Lower short-term disability experience		14.2
Other experience gains		36.5
	$	168.4

Claim Benefit Liabilities
December 31, 2007



Sensitivity of actuarial assumptions

Claim benefit liabilities are estimated primarily using actuarial assumptions for the real discount rate, the claim incidence rate, the cost escalation rate and benefits duration. Because of the large values involved, the liability estimates are highly sensitive to even small changes in these actuarial assumptions.

Details of the changes in claim benefit liabilities during 2007, as well as further discussion of the sensitivity of actuarial assumptions, can be found in Note 11, Claim Benefit Liabilities, in the accompanying financial statements and notes.

Funding Policy

The primary financial-management strategy is the Funding Policy, which represents the framework within which financial decisions and plans are made. The Funding Policy is not a static process, but evolves - through rigorous management review, stakeholder consultation and Board of Director approval - to address changing economic and financial circumstances. The vision is to establish a Funding Policy, supported by comprehensive asset-liability analysis that responds dynamically to changing economic conditions.

Funding principles and objectives

The strategic aim of funding and investment policies is to strive for balance between financial risk (i.e., volatility), investment returns and funding stability. Specifically, the Funding Policy embodies these financial objectives:

- Minimize the risk of becoming unfunded.
- Minimize cost volatility to employers.
- Charge premiums that reflect the cost of current-year claims.

The funding mechanisms that evolved from these objectives address those risks that may affect the financial stability of WCB - primarily investment volatility. Funding Policy rules are in place to minimize these risks, with ongoing monitoring and evaluation to ensure that they continue to respond effectively to changing economic conditions.

Funding rules

The rules guiding financial decisions under the Funding Policy include the following:

- premium-rate design based on current-year fully funded claim costs (i.e., full cost recovery with no rate subsidization or smoothing)
- minimum premium cost to employers set at 60% of industry-rated premiums
- multiple target ranges to guide funding decisions and accommodate volatility
- surplus distribution dividend or fund replenishment levy used as funding adjustment mechanisms

These rules help achieve equity and consistency in the attribution of costs among employers and ensure intergenerational equity by requiring current employers to cover the cost of current-year injuries.

Funding allocations

The Accident Fund represents all the WCB assets available to discharge its legislative mandate. The allocation of assets to each of the WCB's fiduciary obligations is expressed as a percentage of total liabilities as at the reporting date:

- Fully funded status is achieved when assets are sufficient for payment of all current and future compensation and related administration costs (target level: 100%).
- Assets are retained in the Fund Balance to lessen the risk of becoming unfunded (minimum target level: 16%).
- Assets are reserved in the Occupational Disease Reserve (ODR) to provide for significant unforeseen costs related to latent occupational injury or disease (target level: 6%).

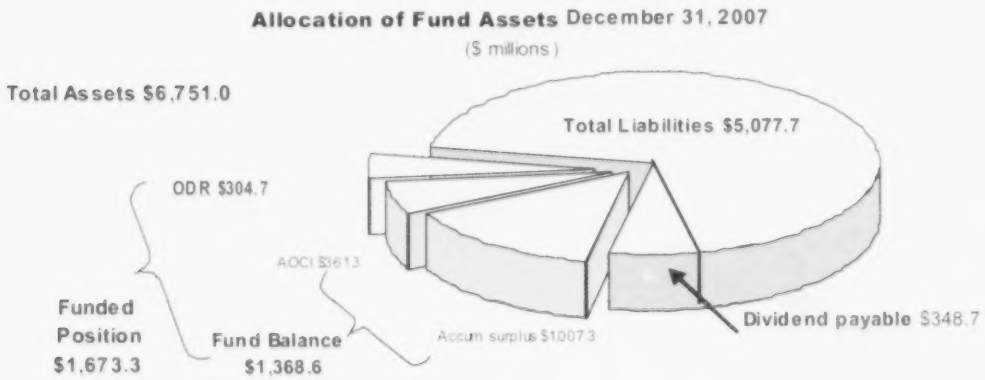
The target funding range is between 116% and 122%. Surplus assets exceeding the 122% funding level are available for distribution to employers, whereas replenishment levies would be required if assets fell below 116%. Proposed changes to this target range will be reviewed in 2008 using the WCB's policy consultation process.

Funded Position

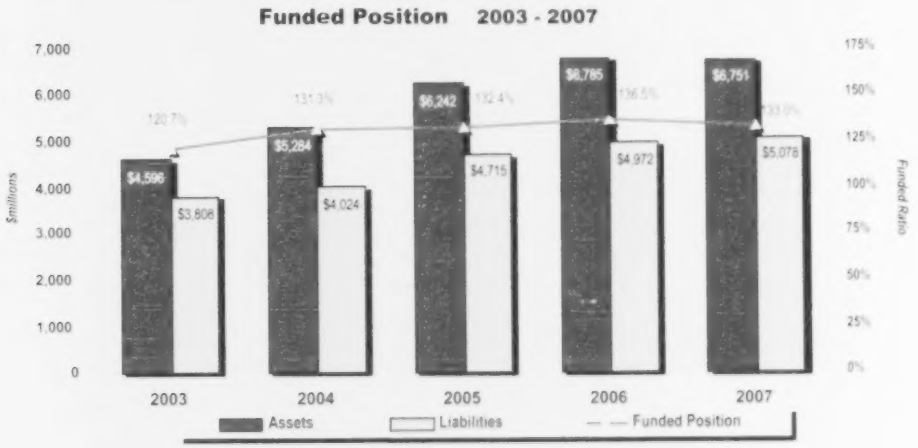
The table below presents the major changes in Funded Position and the ending balance as at December 31, 2007:

($ millions)	Opening	2007 Change	Ending
Accumulated operating surplus for the year	$ 762.1	**$ 587.5**	$ 1,349.6
Special dividends	-	**(336.0)**	(336.0)
ODR maintenance funding	-	**(6.3)**	(6.3)
Accumulated operating surplus	762.1	**245.2**	1,007.3
Net unrealized gains on available-for-investments securities	752.2	**(390.9)**	361.3
Fund Balance	1,514.3	**(145.7)**	1,368.6
Occupational Disease Reserve	298.4	**6.3**	304.7
Funded Position	$ 1,812.7	**$ (139.4)**	$ 1,673.3

As at December 31, 2007, the funded ratio (total assets to total liabilities) was 133.0%, compared to 136.5% at the end of 2006. Viewed from another perspective, WCB has total assets of $6.8 billion to cover its total estimated liabilities of $5.1 billion. This position is the result of sustained economic growth, successful case-management initiatives and a well-managed investment portfolio. Based on this strong position, WCB-Alberta will be paying a special dividend in 2008 to return a portion of excess funding to employers.



The chart below presents the Funded Position from 2003 through 2007. For comparability with current results, assets and liabilities for 2003 have been restated to reflect fair-value accounting.



Risk Management

Oversight

Under the WCB corporate governance structure, the Board of Directors is responsible for overall risk management. The executive team, which has a mandate to identify and manage enterprise level risk, is assisted by the Risk Management Committee, composed of a group of senior managers with responsibility for risk identification, assessment and mitigation at the operating level.

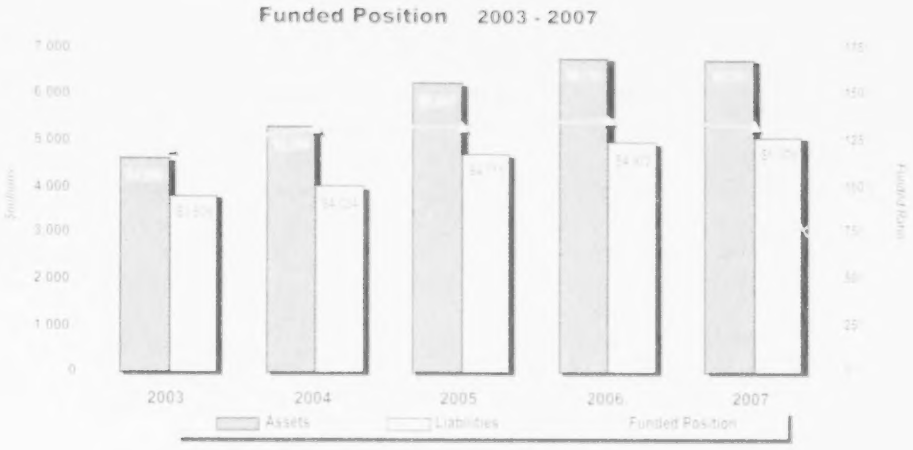
Risk Assessment

WCB has three primary processes for managing risk in the corporation. First, risk management is embedded as an inherent function of day-to-day business. Projects or changes to business processes must go through a documented risk analysis to assess risk and identify mitigation plans and controls to lessen the likelihood or impact of these risks. The second process is to systematically complete a comprehensive risk assessment of emerging corporate risks as they develop throughout the year. Finally, WCB also completes an annual corporate risk assessment that engages departmental management teams and senior managers to develop a comprehensive organizational risk register. The executive team prioritizes those risks with the highest potential residual impact to the WCB and selects a number for comprehensive risk assessment and mitigation.

Significant Risks

WCB has identified the following risk exposures that could have significant impact on the organization and its operations.

The chart below presents the Funded Position from 2003 through 2007. For comparability with current results, assets and liabilities for 2003 have been restated to reflect fair-value accounting.



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Benefit cost risk
Many of WCB's current and future claims are subject to external factors that have potentially significant impacts on the amount and duration of related benefit costs. These risks and uncertainties are driven largely by economic conditions, such as escalation of health care costs and wage growth; however, other factors may arise through administrative precedents established through the appeals process, legislative changes, or from new medical findings for occupational disease, among others. All these factors add significant uncertainty to WCB's cost structure and may impose, over time, significant pressures on the funding model.

Fraud-related risk
WCB annually collects approximately one billion dollars in premium revenue and distributes or reserves a similar amount for claim benefits and administrative costs. The magnitude of these costs and the number of individuals and companies involved in these processes - approximately 135,000 employers, 180,000 claimants and thousands of service providers - creates an inherent risk for fraud. WCB has an extensive audit program used to monitor the organization's ability to protect against fraud and implements additional controls, as required, to strengthen WCB's management of fraud risk.

Funding risk
Managing the components of WCB's overall Funded Position is a complex process that involves forecasting, liability projection, investment management and operational performance. Although these processes are within management's influence or control, many of the assumptions used in forecasting involve significant uncertainty regarding the future. Asset-liability management is being enhanced to provide better systems, tools, processes and information to enhance forecasting, financial-planning and decision-making processes within WCB.

Investment risk
In its investment portfolio, WCB is exposed to financial risk, which includes market and credit risk, among others. Market risk is the risk that the fair value of investments and/or associated cash flows may change because of changing general economic conditions or factors specific to individual securities. Credit risk is the potential of a debt issuer or counterparty in a financial contract to default on its obligation to WCB. Details of financial risks related to investments are discussed in Note 7, Financial Risk Management, in the accompanying financial statements and notes.

Premium risk
WCB has exposure to premium risk, which is the risk that premiums set for the coming fiscal period will not be sufficient to cover the operating costs in that year. These risks and uncertainties are largely driven by provincial economic conditions, such as employment growth and wage escalation. To manage premium-pricing risk, WCB has instituted a comprehensive forecasting program that leverages widely accepted economic-forecasting sources, such as the Conference Board of Canada.

Technology risk
To support its core business processes, WCB uses a number of information systems for processing transactions and maintaining claimant and employer information. If these systems were to fail or were compromised, significant disruption to business processes and customer service could result. To mitigate technology risk, WCB maintains a business continuity plan, system controls and backup systems to prevent processing failures and provides extensive training to develop internal system expertise.

Implications of Accounting Policies and Estimates

The adoption of accounting policies in accordance with Canadian generally accepted accounting principles (GAAP) requires that management make assumptions and estimates that could significantly affect the results of operations and WCB's financial condition. The following discusses significant accounting policies and estimates that may have a material effect on current and future financial statements.

Premiums
In advance of the fiscal year, and based on Funding Policy and projections in the Five-Year Plan, WCB estimates the total premium amount necessary to cover estimated claims costs, transfer levies, administration expenses and funding requirements. Because premium rates are set well in advance of revenue being realized, they reflect macroeconomic and business assumptions that will likely change prior to and during the fiscal period. Consequently, the premiums collected may be more or less than sufficient to cover estimated funding requirements, and the difference could be significant under dynamic business conditions.

Investments
Investment assets are financial instruments that have been designated as available-for-sale securities, whose primary purpose is to maintain capital and generate investment income over the long term. Because WCB accounts for investments at fair value, which reflects realizable market value, this accounting policy could lead to significant volatility in the balance sheet in turbulent capital markets. Any funding ratios based on asset values would therefore be volatile as well.

Derivatives
The fair value of a derivative contract is its change in value with respect to the change in the underlying security or reference index to which the contract is linked. Gains and losses on both outstanding and closed derivative contracts are recognized in income in the periods in which they arose. Since the fair value of a derivative is exposed to market changes, the underlying derivative positions could be volatile as well.

Asset capitalization and amortization
The acquisition or development costs of long-lived assets are amortized over their useful lives. Selection of applicable costs to capitalize and the estimate of asset useful life both require application of professional judgment within the context of corporate policy and industry practice. Furthermore, future periods will be affected by the estimate of useful life and choice of amortization pattern, which determine the timing and amount of expense recognized in each of those future periods.

Valuation of claim benefit liabilities
WCB has significant obligations extending well into the future for compensation benefits to injured workers. WCB applies the actuarial present value methodology for its claim benefit liabilities. The actuarial process projects benefit cost streams into the future and discounts them to present value using a discount rate linked to the return on the investment assets funding those liabilities. Measurement uncertainty is high because assumptions regarding the amount, timing and duration of the benefit commitments and expected future return on assets are all difficult to predict accurately and are influenced by external factors outside management's control. Consequently, the selection of one assumption over another in estimating claim benefit liabilities could have a material impact on the liability valuation.

Governance and Compliance

Legislative authority
Under the authority of the Workers' Compensation Act, the WCB is a provincial board-governed organization that operates independently while reporting to the Minister of Employment and Immigration (the Minister).

Accountability Framework reporting
Through consultation with the Minister and stakeholders, the Accountability Framework was approved in 2002 to provide Albertans with a set of performance measures that compare actual WCB results against established standards and/or industry benchmarks. These measures cover such areas of WCB operations as communications with stakeholders, client satisfaction, consistency, clarity and fairness of claim decisions, timeliness and effectiveness of WCB services, financial capability and effectiveness of injury prevention programs. The Auditor General reviews the reported measures for completeness, comparability and clarity, but does not audit the results. The 2007 Accountability Framework Report can be viewed at www.wcb.ab.ca.

Internal control over financial reporting
Management is responsible for establishing and maintaining adequate internal control over financial reporting (ICOFR) to provide reasonable assurance regarding the reliability of the entity's financial reporting and the preparation of its financial statements in accordance with generally accepted accounting principles. WCB has developed a framework and plan for the overall ICOFR program, which is anticipated to require several years to complete. The framework is based on best practices under the COSO[6] and COBIT[7] frameworks. The ICOFR program is assisted by WCB's Management Audit group and is coordinated with the Office of the Auditor General with respect to integration with the annual financial audit.

In 2007, significant progress on this initiative was achieved, with completion of controls identification and assessments for investment management and financial reporting processes.

Business planning
An important aspect of the financial planning and budgeting process is its linkage to the WCB's strategic plan and the resulting corporate objectives that are developed each year in support of the strategic plan. These objectives and the related performance indicators set the direction for the organization and identify the significant areas of focus for the coming year. The *2008 Budget* and *2008–2012 Financial Plan* establishes the foundation for appropriate resource allocation for attaining the corporate objectives. A copy of the plan can be viewed at www.wcb.ab.ca.

Emerging Issues

International Financial Reporting Standards
In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed that the changeover date for adoption of International Financial Reporting Standards (IFRS) will be January 1, 2011. Practically, changes to accounting processes and systems must be completed by Q4 2009 in order to develop comparative IFRS financial results for fiscal 2010.

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[6] Committee of Sponsoring Organizations of the Treadway Commission, which developed a governance framework for internal control
[7] Control Objectives for Information and Related Technology, a collection of best practices for IT governance, control and assurance

By mid-2007, WCB had completed a comprehensive high-level evaluation and convergence strategy that was subsequently reviewed and validated by an accounting firm. As at the end of 2007, WCB had made substantial progress in the development of assessment tools and reporting templates, as well as the detailed evaluation of IFRS impacts and preliminary positions on accounting policy choices. Following a formal launch of the convergence initiative in 2008, a more detailed plan will be implemented.

Insurance contracts

In May 2007, the International Accounting Standards Board (IASB) issued a discussion paper on insurance contracts. The paper represents the conceptual phase of the standard-setting process, to be followed by an exposure draft expected no earlier than 2010 and a final standard by 2011, with the target effective date likely to be 2012 at the earliest. The paper clearly outlines the IASB's preliminary views on the accounting basis for insurance contracts, which is fair value based on current exit value. Although no impact on financial results is expected until the new standard becomes effective, IFRS implementation over the next three years will provide an appropriate context to monitor developments related to this important standard and to start planning for its eventual adoption.

Looking Ahead

The challenge for WCB-Alberta in the near term will be to manage the business in light of economic uncertainty and protect the investment portfolio against escalating risk in turbulent markets. To achieve these goals, WCB's business priorities are to build on those operational and financial strategies that have contributed to organizational success. Management will be closely monitoring economic and operating trends to proactively develop effective responses to emerging business issues.

ECONOMIC OUTLOOK

Anticipating a slowdown or even a de facto recession in the U.S. economy, all major global economies should experience some moderation of their recent GDP growth. Fallout from the global credit crisis and the loss of confidence in the consumer-driven U.S. economy will likely spill over into Canada. Economic forecasts call for 2.6% real GDP growth in 2008, while Alberta can expect real GDP growth of 3.3%[8], up from 2.6% in 2006; however, the key economic indicators that have significant implications for WCB are employment and wage growth.

The Conference Board of Canada's forecasted growth for the Alberta economy in 2008 is not expected to have a direct effect on WCB's outlook for planning purposes. Over the past few years, the Conference Board's predictions of Alberta's economic growth have differed markedly from the WCB's experience and forecasts as the population of workers covered by WCB has experienced more significant wage growth changes than the overall provincial average. WCB is projecting employment growth of 2.75%, down from 4.3% in 2007, and expects a 7.0% increase in insurable earnings for 2008, down from 10.4% in 2007.

[8] *Conference Board of Canada Forecast Winter 2008* as cited in Alberta Finance *Current Economic Indicators by Province* for the week ended March 28, 2008

INVESTMENT OUTLOOK

From 2003 to 2006, the investment portfolio earned rates of return greater than 10% annually, but for 2007, the market downturn led to a return of only 2.9%. With low bond yields, creeping inflation and dividend yields in the range of 2% to 3%, continuing double-digit returns are highly unlikely. In the near term, volatile, single-digit rates of return are more likely. The total portfolio return for 2008 has been set at 6.4% for planning purposes; however, continued weak market performance may result in much lower returns.

As always, the uncertainty of market returns presents difficult challenges for maintaining financial stability. The investment portfolio strategy has a balanced focus on minimizing volatility while protecting returns through asset diversification and rigorous manager selection.

BUSINESS OUTLOOK

Customer operations

On the customer operations front, WCB will continue to look for opportunities to improve outcomes. Being Maintaining current service levels and improving on an already high level of quality will be challenging tasks in the face of escalating costs, a tight market for qualified staff and increasing numbers of foreign workers returning to their native countries post-injury. However, the proven effectiveness of WCB's service delivery model is a solid platform for continuing success, relying on the dedication and professionalism of its staff to deliver services compassionately and in a timely and effective fashion.

Together with its stakeholders, WCB continues to be successful in injury management, having reached the lowest time-lost claim rate per 100 covered workers in its history. Management remains cautiously optimistic that slow but steady improvement is still attainable. Working with its stakeholders, WCB will continue to capitalize on modified-work opportunities that are both safe and meaningful for injured workers. The right modified-work opportunities have helped injured workers take advantage of on-the-job rehabilitation, while giving employers the chance to keep their valued employees in a tough labour market. For 2008, modified-work-only claims are expected to rise by 7.4%, and time-lost-claim volume is expected to grow by 2.1% with the number of covered workers increasing by 4.8%. Claim duration is projected to remain stable.

Financial management

Given the uncertainty and risks associated with integrated global markets, the ongoing challenge for WCB financial management is to maintain a planning and decision-making process to protect the integrity and stability of the Accident Fund.

In 2007, the WCB engaged its external actuary to conduct an asset-liability study using various economic scenarios to test their impact on WCB's financial position. This modelling study identified possible changes to the Funding Policy that could minimize funding volatility. These changes will be reviewed in 2008 using the WCB's policy consultation process.

WCB will continue to execute effective financial management strategies by enhancing the existing asset-liability management framework. This framework represents a holistic approach to financial analysis, planning and decision making.

2008 premium rate

In 2008, the average premium rate will drop by 7.7% to $1.32 per $100.00 of insurable earnings from the 2007 provisional average rate of $1.43. This decline in the average premium rate is attributable to stable accident frequency and claim costs, while insurable earnings continue to grow along with Alberta's economy. As well, effective safety initiatives are anticipated to limit the growth in claims to less than the growth in insurable earnings.

With all WCBs having announced their rates for 2008, WCB-Alberta continues to have the lowest average premium rate in Canada. Alberta's premium rates have been consistently among the lowest in Canada over the past decade.

OUTLOOK FOR FINANCIAL CONDITION

At the end of 2007, WCB's funded ratio was 133.0% (assets over liabilities), even after special dividends of $348.7 million payable in 2008. Given economic uncertainty and the volatility of investment returns, it is unlikely that future financial performance or special dividends will remain at present levels. Once the Funding Policy and surplus-distribution process have achieved the objective of bringing the Funded Position into the target funding range, the frequency and amount of future dividends are expected to be much lower, even to the point where special premium levies could be required.

FACING THE FUTURE

Looking toward the future, Alberta's strong compensation system faces some challenges:

- Recent events in financial markets will likely have a material impact on overall funding levels, which reinforces the need to review and consult stakeholders on funding policy.
- An increasingly multilingual and transient workforce may introduce service and communication challenges. WCB-Alberta is committed to ensuring that all workers enjoy the protection and benefits of the workers' compensation system.
- Staff attraction and retention challenges have led to a renewed commitment to continue to be an employer of choice and to look for innovations that will help attract, develop and retain talented staff.

WCB-Alberta is prepared to face these challenges through ongoing stakeholder consultation on key issues, ongoing innovation of its business, development of online systems enabling its clients to transact their WCB business simply and efficiently, and employee retention and development strategies aimed at ensuring that the organization continues to be one of Alberta's top employers.

Together with its partners, WCB will continue to look for ways to minimize the impact of workplace illness and injury for Albertans and their employers. Through clear focus on the core business and commitment to its core values, WCB-Alberta remains well poised to face the future.

Responsibility for Financial Reporting

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgments and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the annual report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Eckler Ltd. has been appointed as the independent consulting actuary to the WCB. Their role is to complete an independent actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial practice.

The Office of the Auditor General, the independent auditor of the WCB, has performed an independent audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

David B. Carpenter, F.C.A.
Chair, Board of Directors
Workers' Compensation Board - Alberta

Guy R. Kerr
President and Chief Executive Officer
Workers' Compensation Board – Alberta

Ron J. Helmhold, C.A.
Chief Financial Officer
Workers' Compensation Board - Alberta

AUDITOR GENERAL *Alberta*

Auditor's Report

To the Board of Directors of the Workers' Compensation Board – Alberta

I have audited the balance sheet of the Workers' Compensation Board - Alberta as at December 31, 2007 and the statements of operations, comprehensive income, changes in funded position, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2007 and the results of its operations, results of its comprehensive income, movements in funded position, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

F.C.A.
Auditor General
Edmonton, Alberta
March 20, 2008

Eckler Ltd.
Consultants and Actuaries

Actuarial Statement of Opinion on the Valuation of the Benefit Liabilities of the Workers' Compensation Board – Alberta as at December 31, 2007

I have completed the actuarial valuation of the benefit liabilities of the Workers' Compensation Board – Alberta (WCB) for the financial statements of the WCB as at December 31, 2007. In my opinion, the actuarial liabilities of $4,606.3 million make reasonable provision for future payments for short term disability, vocational rehabilitation, long term disability, survivor and health care benefits, as well as claims administration costs, on account of claims that occurred on or before December 31, 2007; it does not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

The valuation was based on the provisions of the *Workers' Compensation Act* of Alberta and on the WCB's policies and administrative practices in effect as of December 31, 2007. The data on which the valuation is based were provided by the WCB; I applied such checks of reasonableness of the data as I considered appropriate, and have concluded that the data are sufficiently reliable to permit a realistic valuation of the liabilities and that the data are consistent with WCB'S financial statements. The liabilities included herein have been computed by the WCB in accordance with methods and assumptions approved by me; I have made such tests of the calculations as were deemed necessary.

The economic assumptions adopted for purposes of computing the liabilities are consistent with the WCB's funding and investment policies. For this valuation, a real rate of return of 3.00% was used to discount expected payments subject to inflation, a reduction of 0.25% when compared with the rate used for the valuation as at December 31, 2006. Benefits subject to cost of living adjustments (COLA) were discounted at 3.50%, making implicit provision for the future indexing of benefits on the assumption that investment earnings on WCB's assets will exceed increases in the Consumer Price Index (CPI) by 3.00% per year, over the long term, and that COLA will be provided at CPI minus 0.50%. Other economic assumptions underlying the calculations are annual changes in CPI of 2.50%, as well as health care costs and vocational rehabilitation benefits assumed to grow at annual rates of 6.75% and 3.50% respectively; these rates are the same as those used in the previous valuation, except for the elimination of specific increases for pharmaceutical costs and personal care allowances which were used in last-year valuation.

Except as described herein, the methods and assumptions employed in the valuation were consistent with those used in the previous valuation, after taking account of changes in claim patterns. Projections of future claim payments and awards have been made using factors developed from the WCB's claims experience, mortality and other assumptions. There have been changes in the methodology and assumptions to value the outstanding claims in this valuation, with the use of an exposure index reflecting the variation in the number of workers covered by the WCB and the average risk associated with these workers, as well as the determination of cost factors under a revised basis. The actuarial assumptions used to value economic loss payments (ELP) have also been reviewed, using more WCB experience in determining the incidence rates and the values of ELP awards.

Details of the data, actuarial assumptions, valuation methods and analysis of results are set out in my actuarial report as at December 31, 2007, of which this statement of opinion forms part.

In my opinion, the data on which the valuation is based are sufficient and reliable, the assumptions, in aggregate, are appropriate for the purposes of the valuation, and the methods employed are consistent with sound actuarial principles. This report has been prepared and my opinion given in accordance with accepted actuarial practice.

Richard Larouche, F.S.A., F.C.I.A.
Actuary
Eckler Ltd.
March 14, 2008

Workers' Compensation Board – Alberta

Balance Sheet

As at December 31

($ in thousands)

	Notes	2007	2006
ASSETS			
Cash and cash equivalents	4	**$ 160,443**	$ 61,898
Receivables	5	**64,785**	119,065
Investments	6, 7	**6,471,335**	6,551,728
Property, plant and equipment	8	**54,432**	52,029
		$ 6,750,995	$ 6,784,720
LIABILITIES			
Payables and accruals	9	**$ 122,681**	$ 131,805
Dividends payable	10	**348,745**	443,344
Claim benefit liabilities	11	**4,606,300**	4,396,900
		5,077,726	4,972,049
FUNDED POSITION			
Fund Balance		**1,368,569**	1,514,271
Occupational Disease Reserve		**304,700**	298,400
		1,673,269	1,812,671
		$ 6,750,995	$ 6,784,720
COMMITMENTS	21		
CONTINGENCIES AND INDEMNIFICATION	22		

Approved by the Board of Directors:

David B. Carpenter, F.C.A.
Chair, Board of Directors
Workers' Compensation Board – Alberta

Guy R. Kerr
President and Chief Executive Officer
Workers' Compensation Board – Alberta

The accompanying notes are an integral part of these financial statements.

Workers' Compensation Board – Alberta

Statement of Operations

Year ended December 31

($ in thousands)

	Notes	2007 Budget	2007 Actual	2006 Actual
REVENUE				
Premium	13	$ 935,183	$ 977,725	$1,003,292
Investment	14	353,601	567,975	718,173
Other	15	561	950	2,133
		1,289,345	1,546,650	1,723,598
EXPENSES				
Claim costs	11, 20	1,047,279	855,264	885,538
Administration	16	74,333	72,761	66,427
Injury reduction	19	27,407	31,076	22,226
		1,149,019	959,101	974,191
OPERATING SURPLUS		$ 140,326	$ 587,549	$ 749,407

The accompanying notes are an integral part of these financial statements.

Workers' Compensation Board – Alberta

Statement of Comprehensive Income

Year ended December 31

($ in thousands)

	Notes	2007	2006
OPERATING SURPLUS		**$ 587,549**	$ 749,407
OTHER COMPREHENSIVE INCOME			
Net unrealized gains (losses) on available-for-sale investments arising during the year		**(158,399)**	501,130
Net investment (gains) realized during the year and reported in the statement of operations		**(238,919)**	(524,911)
Loss realized during the year from write-down of impaired investments and reported in the statement of operations	14	**6,435**	2,740
		(390,883)	(21,041)
TOTAL COMPREHENSIVE INCOME		**$ 196,666**	$ 728,366

The accompanying notes are an integral part of these financial statements.

Workers' Compensation Board – Alberta

Statement of Changes in Funded Position

Year ended December 31

($ in thousands)

	Notes	2007	2006
FUND BALANCE			
Accumulated operating surplus			
Balance, beginning of year		**$ 762,140**	$ 470,070
Operating surplus		**587,549**	749,407
Dividends	10	**(336,068)**	(441,937)
Transfer to reserve		**(6,300)**	(15,400)
		1,007,321	762,140
Accumulated other comprehensive income			
Balance, beginning of year		**752,131**	773,172
Other comprehensive income		**(390,883)**	(21,041)
	6	**361,248**	752,131
Fund Balance, end of year		**1,368,569**	1,514,271
OCCUPATIONAL DISEASE RESERVE			
Balance, beginning of year		**298,400**	283,000
Transfer from accumulated operating surplus		**6,300**	15,400
		304,700	298,400
		$ 1,673,269	$ 1,812,671

The accompanying notes are an integral part of these financial statements.

Workers' Compensation Board – Alberta

Statement of Cash Flows

Year ended December 31

($ in thousands)

	Notes	2007 Budget	2007 Actual	2006 Actual
OPERATING ACTIVITIES				
Cash inflows				
Employer premiums		**$ 954,042**	**$ 1,030,368**	$ 991,825
Dividend, interest, and derivative income		**164,298**	**306,577**	206,653
Realized net investment gains		**189,303**	**238,919**	524,911
Other		**403**	**1,354**	1,323
Cash outflows				
Benefits to claimants and/or third parties on their behalf		**(671,397)**	**(542,507)**	(556,067)
Employee and supplier payments for administrative and other goods and services		**(162,391)**	**(175,899)**	(136,794)
Injury reduction program funding		**(27,407)**	**(31,074)**	(22,167)
Net cash from operating activities		**446,851**	**827,738**	1,009,684
INVESTING ACTIVITIES				
Cash outflows				
Purchase of investments – net of sales		**19,891**	**(288,013)**	(558,048)
Purchase of capital assets – net of disposals		**(11,500)**	**(10,513)**	(9,900)
Net cash from (used for) investing activities		**8,391**	**(298,526)**	(567,948)
FUNDING POLICY ACTIVITIES				
Cash outflows				
Special dividends to employers	10	**(455,242)**	**(430,667)**	(431,626)
Net cash used for Funding Policy activities		**(455,242)**	**(430,667)**	(431,626)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**-**	**98,545**	10,110
Cash and cash equivalents, beginning of year		**62,000**	**61,898**	51,788
CASH AND CASH EQUIVALENTS, END OF YEAR		**$ 62,000**	**$ 160,443**	$ 61,898

The accompanying notes are an integral part of these financial statements.

Notes to the Financial Statements

(thousands of dollars unless stated otherwise)

1. Significant Accounting Policies

Basis of presentation

The financial statements of WCB have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

Accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with GAAP requires the use of estimates as at the date of the financial statements that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods presented.

Measurement uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Some accounting measurements require management's best estimates, based on assumptions as at the financial statement date, that reflect the most probable set of economic conditions and planned courses of action.

Claim benefit liabilities, the reserve for occupational disease, the Partners in Injury Reduction accrual, accrued premium revenue, and accrued dividends payable are the most significant items that are based on accounting estimates. Actual results could differ from the estimates made by management in these financial statements, and these differences, which may be material, could require adjustment in subsequent reporting periods.

Comprehensive income

Comprehensive income includes current operating surplus and other comprehensive income (OCI).

OCI is comprised of unrealized fair-value gains and losses from investments less previously deferred unrealized gains and losses that have been realized during the period through sale or provided for as a write down and recognized in current income.

Accumulated other comprehensive income (AOCI) includes unrealized fair-value gains and losses arising from holding available-for-sale investments. When the underlying securities are subsequently sold or written down, the resulting realized gain or loss is released from AOCI into investment income in the statement of operations.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the historical exchange rate. Foreign-currency transactions are translated into Canadian dollars using the exchange rate in effect when those transactions occur. Foreign currency gains and losses are recognized in income in the period in which they arise.

1. Significant Accounting Policies – continued

Cash and cash equivalents
Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash and short-term investments held by custodians for investment purposes are not available for general use, and accordingly are included in investments.

Investments
Portfolio investments, which comprise securities held for long-term capital appreciation and generation of income, are reported at fair value. Fixed income, marketable equity securities, and real estate investments are classified as available-for-sale investments. Derivatives used to manage asset and risk exposures are classified as held-for-trading instruments. All investments are initially recognized at acquisition cost (including any premium or discount at date of purchase) and subsequently remeasured at fair value at each reporting date. WCB utilizes trade-date accounting (date when transactions are entered into rather than when they are settled) for all purchases and sales of financial assets in its investment portfolio.

Valuation of financial assets
The basis of measurement for financial assets is fair value as at reporting date utilizing the following methods:

- Publicly traded securities are based on their closing market prices or the average of the latest bid/ask prices quoted by independent securities valuation companies.
- Non-publicly-traded securities such as units of private investment pooled funds are valued at the net asset values of the funds, which reflect the fair values of fund assets less fund liabilities.
- The fair value of the real estate fund is based on independent annual appraisals, net of any liabilities against the real properties.
- The fair value of the commercial mortgages fund is based on the market interest rate spread over Bank of Canada bonds with a similar term to maturity.

Valuation of derivatives
Derivatives are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates, or indices. The fair value of WCB's derivative contracts, primarily within pooled funds, is determined by the following methods:

- Interest rate swaps and cross-currency swaps are valued based on discounted cash flows using current market yields and exchange rates.
- Forward foreign-exchange contracts and equity index futures contracts are valued based on quoted market prices.
- Equity and bond index swaps are valued based on changes in the appropriate market index net of accrued floating-rate interest.
- Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.
- Swap option contracts are valued based on discounted cash flows using current market yields and volatility parameters that measure changes in the underlying swaps.

1. Significant Accounting Policies – continued

Investment Income

Recognition and measurement

WCB recognizes interest revenue as earned, dividends when declared, and investment gains and losses when realized. Interest revenue is recognized over the term of a debt security using the effective interest rate method, and includes amortization of any premium or discount recognized at date of purchase. For real-return bonds, interest revenue also includes amortization, using the effective interest rate method, of adjustments to principal related to changes in inflation. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Unrealized gains and losses on available-for-sale securities are recorded in OCI and recognized in income when realized.

Transaction costs are included in the acquisition cost of individual securities and recognized as part of the realized gains or losses when they are sold or written down. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

Derivative income

Included in investment income are changes in fair value resulting from marking derivative contracts to market. WCB's investment portfolio contains certain derivatives that meet hedge accounting requirements. Hedge accounting for these investments is optional, but the ability to apply it is contingent on satisfying rigorous technical requirements with respect to designation, documentation, and effectiveness. WCB does not apply hedge accounting to the hedging relationships in its segregated investments, but uses hedge accounting indirectly in certain pooled investments.

Within some of WCB's pooled investments are derivative contracts, which are primarily interest rate swaps and cross-currency interest rate swaps designated as hedges of market risks for the purposes of hedge accounting. Hedge accounting recognizes gains and losses from derivatives in the same period as the gains and losses of the securities being hedged on an accrual basis. When a hedge relationship is designated for purposes of hedge accounting, the hedge is documented at inception. The documentation identifies the specific asset being hedged, the risk that is being hedged, the type of derivative used, and the matching of critical terms of the hedged asset and the hedging instrument to measure effectiveness.

When hedge accounting is not applied, all realized and unrealized gains and losses are recognized in investment income in the respective periods in which they arose. Derivative contracts not designated as hedges for the purposes of hedge accounting – primarily bond index swaps, equity index swaps, equity index futures, forward foreign-exchange contracts, credit default swaps and options – are recorded at fair value.

Impairment of financial assets

When the fair value of an investment falls below its cost, and the decline is determined to be other-than-temporary, a loss equivalent to the difference between cost and current fair value is recorded against investment income in the statement of operations. The assessment of other-than-temporary impairment considers the extent of the unrealized loss, the length of time that the

1. Significant Accounting Policies – continued

security has been in a loss position, the financial condition of the issuer, and WCB's intent to hold the security to any anticipated recovery.

Premium revenue
Premiums are billed when employers report their insurable earnings for the current premium year. For employers who have not reported, premiums are estimated based on historical experience and any difference between actual and estimated premiums is adjusted in the following year. Premium revenue is net of the Partners in Injury Reduction rebate.

Property, plant and equipment
Property, plant and equipment are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the following annual rates and methods that best reflect the realization of benefits:

Buildings	2.5% straight-line
Equipment - computer	35% declining balance
- furniture and other	15% declining balance
- vehicles	20% straight-line
Computer software	20% straight-line

WCB evaluates its property, plant and equipment for impairment due to obsolescence, redundancy, deterioration, and/or loss. WCB writes down the carrying value to fair value and records the write-down amount as amortization expense.

Claim benefit liabilities
Claim benefit liabilities represent the actuarial present value, as estimated by WCB's external actuary, of all future benefit payments and claim administration costs that have been incurred in respect of current and prior years' injuries. Claim benefit liabilities have been estimated in accordance with accepted actuarial practice established by the Canadian Institute of Actuaries.

Employee future benefits
Permanent employees of WCB participate in defined benefit pension plans sponsored by the Province of Alberta. As these multi-employer plans meet the accounting requirements for treatment as defined contribution plans, the current year employer contributions are accounted for as current pension expense.

For senior managers, WCB also sponsors a supplemental retirement income plan to provide post-employment benefits in excess of statutory limits. The supplemental plan is a defined benefit plan whose costs are actuarially determined each year using the projected benefit method prorated on service. Actuarial gains and losses arising from the annual valuation are not deferred and amortized, but recognized in benefit plan expense as they arise.

In addition to post-retirement benefits, WCB offers an income continuance plan for long-term disability to all permanent employees. The costs of providing such benefits are actuarially determined by WCB's benefit consultant. Valuation of the liability may result in a net actuarial gain or loss. The gain or loss that is greater than 10% of the benefit obligation is amortized to benefit plan expense over the estimated average expected remaining service period of employees.

2. Financial Reporting Changes

Financial Instruments – Disclosure changes
Effective January 1, 2007, the WCB early adopted the new provisions of CICA Handbook Section 3862 *Financial Instruments - Disclosure*, released in July 2006 and effective for fiscal periods beginning on or after October 1, 2007. These revised standards will enhance the standards on financial instruments issued in January 2005 and will expand on their disclosure requirements, placing an increased emphasis on disclosures about the risks and exposures relating to recognized and unrecognized financial instruments and how those risks are managed. The adoption of Section 3862 is not expected to have a material effect on WCB's operating results or financial position.

3. Funding Basis

Legislative authority
The Workers' Compensation Board - Alberta (WCB) operates under the authority of the Workers' Compensation Act (the Act), Revised Statutes of Alberta 2000, Chapter W-15, as amended.

Funding Policy
In accordance with Section 91 of the Act, the Board of Directors established a Funding Policy to ensure that WCB remains financially stable and secure into the future for the benefit of its stakeholders. The Act stipulates the creation of an Accident Fund (the Fund) for the payment of present and future compensation. The Fund is fully funded when the total fund assets equal or exceed total liabilities. This Funded Position (or net assets) represents the current funding status of the Fund. The Funded Position covers those costs, not provided for elsewhere, arising from events that might otherwise unfairly burden employers in the short term, or that might otherwise prevent full funding of the Accident Fund. The Funding Policy establishes a target zone for funding sufficiency, below which fund replenishment may be initiated and above which special dividends may be paid, both subject to approval by the Board of Directors.

The WCB maintains two reserves within the Accident Fund: the Fund Balance and the Occupational Disease Reserve (ODR).

Fund Balance consists of accumulated net operating surpluses and accumulated other comprehensive income, which holds unrealized gains and losses arising from the fair-value basis of accounting for investments. The Fund Balance is replenished via special funding requirements included in premiums. Conversely, funding beyond the target range, as specified in the Funding Policy, is paid out of the Fund Balance as special dividends.

The ODR was established to provide for costs arising from latent occupational injury or disease where a causal link to the workplace has not been established, but may be established in the future. No provision against income has been made for future claims arising from such injury or disease because the determination of such claims cannot be reasonably estimated. The ODR is maintained at a percentage of total liabilities through a transfer from or to the Fund Balance.

4. Cash and Cash Equivalents

Cash and cash equivalents of $160,443 (2006 – $61,898), which are substantially all invested in a Government of Alberta money market fund with an average effective market yield of 4.88% per annum (2006 – 4.55% per annum), are approximately $100 million in excess of normal operating requirements. This increase in the level of liquidity represents a planned build-up of cash to meet the expected payment of special dividends payable in 2008.

5. Receivables

($ thousands)	2007	2006
Premium	$ 60,528	$ 112,125
Other	4,257	6,940
	$ 64,785	$ 119,065

Premium receivables of $60,528 (2006 – $112,125) include an estimate of $22,259 (2006 - $58,885) for premium revenue related to employers that had not reported their insurable earnings by year-end. See Note 13 for more details concerning the estimated premiums.

6. Investments

The table below presents the fair value of WCB's investments as at December 31, 2007 together with the change in fair value from their cost base.

($ thousands)	2007						2006		
	Amortized Cost[1]	Unrealized Gains	Unrealized Losses: Loss position 12 months or less	Unrealized Losses: Loss position 12 months or longer	AOCI	Fair Value	Amortized Cost	AOCI	Fair Value
Available for Sale - Securities									
Fixed income									
Nominal bonds									
Canada	$2,733,618	$ -	$ (45,242)	$ (3,072)	$ (48,314)	$ 2,685,304	$2,639,066	$ 35,643	$2,674,709
Other markets	49,977	-	(1,070)	-	(1,070)	48,907	-	-	-
Mortgages[2]	21,782	-	(561)	-	(561)	21,221	-	-	-
	2,805,377	-	(46,873)	(3,072)	(49,945)	2,755,432	2,639,066	35,643	2,674,709
Equities									
Domestic									
Canada	714,439	97,338	(15,220)	-	82,118	796,557	797,080	114,543	911,623
Foreign									
Global	1,731,066	167,363	(43,100)	-	124,263	1,855,329	1,690,918	422,797	2,113,715
Emerging markets	210,902	-	-	-	-	210,902	215,011	-	215,011
	2,656,407	264,701	(58,320)	-	206,381	2,862,788	2,703,007	537,340	3,240,347
Inflation-sensitive investments									
Real estate	255,516	111,331	-	-	111,331	366,847	163,337	90,718	254,055
Real-return bonds	371,141	74,238	-	-	74,238	445,379	307,571	77,067	384,638
	626,657	185,569	-	-	185,569	812,226	470,908	167,785	638,693
	6,088,441	450,270	(105,193)	(3,072)	342,005	6,430,446	5,812,981	740,768	6,553,749
Derivatives[3]									
Fixed income	-	21,840	(6,120)		15,720	16,744		1,871	1,871
Equities	-	4,251	(728)		3,523	24,145		9,392	(3,992)
	-	26,091	(6,848)	-	19,243	40,889	-	11,263	(2,021)
	$6,088,441	$476,361	$ (112,041)	$ (3,072)	$ 361,248	$ 6,471,335	$5,812,981	$ 752,131	$6,551,728

[1] Amortized cost includes the following:
a) the accumulated amortization of discount or premium on fixed income securities; and
b) the written-down value for securities assessed to have an other-than-temporary decline in value.

[2] Mortgages include commercial mortgages and multi-unit mortgages but do not include single-dwelling residential mortgages.

[3] Fair Value of derivatives includes a $21,646 gain (2006 - $13,384 loss) realized into investment revenue.

See Note 7 for more details concerning the derivative contracts. Note 14 Investment Revenue provides a breakdown of the sources of investment revenue by asset class.

Unrealized losses for fixed income securities have generally been in a loss position for less than 12 months, arising from an increase in interest rates and a re-pricing of credit risk in the bond market. For equity securities, unrealized losses result largely from the timing of market price changes or environmental factors. Since WCB has the ability and intent to hold securities with unrealized losses until recovery of book value, these securities are not considered to have experienced other-than-temporary impairment.

7. Financial Risk Management

In accordance with the Investment Policy, WCB manages investment risk by maintaining a well-diversified portfolio, both across and within asset classes, and engages fund managers encompassing a broad range of investment philosophies and styles.

WCB management is responsible for monitoring performance, recommending changes to the Investment Policy, and selecting fund managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio through its review and approval of the Investment Policy. From time to time, WCB retains independent consultants to benchmark the performance of its fund managers and to advise on the appropriateness and effectiveness of its Investment Policy and practices.

The following sections describe the key financial risk variables, WCB's risk exposures, and the related mitigation strategies for each risk.

Market risk

WCB is exposed to market risk, which is the risk that the fair value or future cash flows of its investments in publicly traded shares listed on domestic and foreign exchanges and bonds traded over the counter through broker-dealers will fluctuate in the future because of price changes. Such price changes are subject to economic factors and other fluctuations in domestic and global capital markets, as well as risks specific to issuers, which may affect the market value of individual securities.

The table below presents the effect of a material adverse change[1] in the key risk variable – the sector benchmark – for each of the equity mandates in WCB's investment portfolio:

($ thousands)	2007		2006	
Equities	**1 std dev**	**2 std dev**	1 std dev	2 std dev
% change in market benchmark	**(9.8%)**	**(19.6%)**	(10.9%)	(21.8%)
Canadian	**$ (71,368)**	**$ (131,051)**	$ (90,648)	$ (165,060)
% change in market benchmark	**(9.7%)**	**(19.3%)**	(11.8%)	(23.6%)
Global	**$ (165,290)**	**$ (303,840)**	$ (222,260)	$ (402,024)
% change in market benchmark	**(16.1%)**	**(32.3%)**	(17.8%)	(35.6%)
Emerging markets	**$ (29,348)**	**$ (51,537)**	$ (32,590)	$ (56,631)

Credit risk

Credit risk related to financial securities arises from the possibility that the counterparty to an instrument fails to discharge its contractual obligation to WCB, or the possibility of a decline in the fair value of a debt security following a rating downgrade.

To mitigate credit default risk, WCB has established specific rules to ensure that the credit ratings of counterparties do not fall below an acceptable threshold. Issuers of debt securities will have at least a B- or equivalent score from a recognized credit-rating agency or must meet other stringent investment criteria. Counterparties for derivative contracts will have at least an A- credit rating or equivalent from a recognized credit-rating agency. WCB does not anticipate that any counterparties will fail to meet their obligations.

[1] A change is considered to be material when it exceeds the standard deviation, which measures the normal variance in a probability distribution. One standard deviation covers 68% of all probable outcomes; two standard deviations, 95%.

7. Financial Risk Management – continued

As at December 31, 2007, the aggregate amount of fixed income securities with counterparty ratings below BBB- is presented in the table below:

($ thousands)	2007	2006
Corporate bonds:		
Segregated funds	$ 352	$ -
Pooled funds	13,023	-
	$ 13,375	$ -

Inflation risk

Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power for current monetary assets.

To mitigate the effect of inflation on WCB's future liabilities, the portfolio holds Canadian real-return bonds, which are indexed to the annual change in the Canadian Consumer Price Index. The table following the interest rate risk section below presents the remaining terms to maturity and related yields of the conventional and real-return bond portfolios.

Securities-lending risk

To generate additional income, WCB may lend any of its investments to eligible third parties for short periods. These loans are secured against loss with cash or readily marketable securities having a minimum fair value of 100% of the loan. As of December 31, 2007, outstanding securities on loan amounted to $673,821 (2006 - $472,739). For the year, securities-lending transactions within WCB's segregated funds generated incremental income of $1,644 (2006 - $1,177).

Interest rate risk

Interest rate risk is the risk that the value of a financial security will fluctuate due to changes in market interest rates. WCB's investment portfolio is exposed to interest rate risk through participation in a nominal Canadian bond pool and a global fixed income mandate, as well as through internally managed direct holdings of fixed income securities.

The table below presents the effects of a 50 and 100 bps[1] adverse change in nominal and real interest rates on the respective bond portfolios:

($ thousands)	2007		2006	
+/- bp change in nominal interest rate	**+50 bp**	**+100 bp**	+50 bp	+100 bp
Nominal bonds	$ (91,261)	$ (182,523)	$ (88,256)	$ (176,513)
+/- bp change in real interest rate	**+50 bp**	**+100 bp**	+50 bp	+100 bp
Real return bonds	$ (35,342)	$ (70,683)	$ (30,829)	$ (61,658)

[1] One basis point (bp) equals 1/100 of 1%, 50 bps = 50/100 of 1% or 0.5%

7. Financial Risk Management – continued

The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed income investments exposed to inflation and interest rate risk as at December 31, 2007:

	Remaining term to maturity					
($ thousands)	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	**2007**	2006
Nominal[1] bonds						
Canadian - externally managed	$ 107,578	$ 721,240	$ 708,217	$ 635,372	**$ 2,172,407**	$ 2,306,715
Average effective yields	3.80%	5.20%	5.35%	5.05%	5.69%	4.63%
Other markets	8,345	14,637	16,375	10,595	**49,952**	-
Average effective yields	2.75%	4.58%	4.56%	5.69%	4.22%	-
Canadian - internally managed	28,794	210,863	123,797	165,172	**528,626**	369,965
Average effective yields	4.45%	4.32%	4.82%	4.43%	4.50%	4.23%
	144,717	946,740	848,389	811,139	**2,750,985**	2,676,680
Real[1] return bonds						
Canadian - internally managed	-	-	-	445,389	**445,389**	**384,638**
Average effective yields	-	-	-	2.03%	2.03%	1.77%
	-	-	-	445,389	**445,389**	384,638
	$ 144,717	$ 946,740	$ 848,389	$ 1,256,528	**$ 3,196,374**	$ 3,061,318

[1] Nominal yields reflect the total yield to maturity whereas real yields are net of inflation.

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates.

In its Canadian fixed income pooled investments, WCB is exposed to exchange rate volatility that is managed through forward foreign-exchange contracts and cross-currency interest rate swaps. The global fixed income segregated fund is fully hedged to the Canadian dollar by utilizing forward currency contracts. For its foreign-equity investments, WCB utilizes a currency overlay to hedge 50% of the aggregate currency exposure from foreign equities. The currency overlay is an indexing strategy executed through forward foreign-exchange contracts on the US dollar, Euro and other major currencies.

WCB's largest currency exposure is to the US dollar, with USD-denominated holdings of $1,120 million (2006 - $1,264 million) or 17% of the portfolio; the Euro exposure is next largest with holdings of $249 million (2006 - $237 million) or 4%.

The table below presents the effects of a material change in the Canadian/US dollar and Canadian/Euro exchange rates for the foreign equity mandate:

($ thousands)	**2007**		2006	
10% appreciation in the Canadian dollar	**CAD/USD**	**CAD/EURO**	CAD/USD	CAD/EURO
Global	**$ (101,792)**	**$ (22,660)**	$ (114,941)	$ (21,504)

7. Financial Risk Management – continued

Derivative instruments

Although derivatives represent an important component of WCB's risk management strategy, the portfolio does not contain any derivatives intended for speculative or trading purposes. An example of derivatives used for risk mitigation is the currency overlay described in the currency risk section, which is a partial hedge of the currency exposure. From time to time, derivatives are also utilized as a portfolio management technique, such as the asset overlay, to replicate a target asset mix or achieve certain asset exposures when it is not possible or cost-effective to hold securities directly.

As hedge accounting is optional, WCB has elected not to apply hedge accounting to hedging arrangements within its segregated funds. However, hedge accounting has been applied to certain exposures within the Canadian fixed income pooled fund.

The notional value of a derivative contract used in a hedging arrangement represents the exposure that is being hedged, and is the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Notional amounts are not indicative of the credit risk associated with such derivative contracts and are not recognized in these financial statements. WCB's credit exposure is represented by the replacement cost of all outstanding contracts in a receivable (positive fair value) position. Counterparty credit risk with respect to derivative contracts is mitigated in accordance with investment guidelines described in the earlier section on credit risk.

The table below presents the notional principal, as well as the fair value of all open derivative contract positions in pooled and segregated funds as at December 31, 2007:

($ thousands)		Remaining term to maturity			2007		2006	
	Asset Mandates	Within 1 year	1 to 5 years	5 to 10 years	Notional Principal	Fair Value	Notional Principal	Fair Value
Asset replication contracts								
Equity index swaps	Canadian equities	97%	3%	-	**$ 141,757**	**$ (728)**	$ 243,087	$ 8,914
Equity index futures contracts	Canadian / Global equities	100%	-	-	**438,729**	**7,506**	48,486	478
Bond index swaps	Canadian fixed income	100%	-	-	**196,964**	**2,140**	637,284	932
Bond futures contracts	Global fixed income	100%	-	-	**11,312**	**56**	-	-
					788,762	**8,974**	928,857	10,324
Interest rate contracts								
Interest rate swaps *	Canadian fixed income	0%	2%	98%	**914,803**	**(528)**	1,524,209	999
Cross-currency interest rate swaps *	Canadian fixed income	10%	21%	69%	**158,334**	**19,003**	144,596	2,336
					1,073,137	**18,475**	1,668,805	3,335
Foreign-exchange contracts								
Currency overlay forward contracts	Global equities	100%	-	-	**2,950,458**	**17,997**	3,096,824	(13,971)
Forward foreign-exchange contracts	Global equities / fixed income	100%	-	-	**200,799**	**800**	152,675	(837)
					3,151,257	**18,797**	3,249,499	(14,808)
Credit derivatives								
Credit default swaps	Canadian fixed income	1%	18%	81%	**2,115,882**	**(5,592)**	1,126,274	685
Other contracts								
Swap option contracts	Canadian fixed income	52%	-	48%	**1,243,503**	**235**	2,132,708	(1,557)
					$8,372,541	**$ 40,889**	$ 9,106,143	$ (2,021)

* Subject to hedge accounting

8. Property, Plant and Equipment

($ thousands)	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,092	$ -	$ 1,092	$ 1,092
Buildings	38,644	15,799	22,845	23,771
Equipment	9,434	7,185	2,249	1,437
Computer software	96,882	76,887	19,995	18,882
Software under development	8,251	-	8,251	6,847
	$ 154,303	$ 99,871	$ 54,432	$ 52,029

9. Payables and Accruals

($ thousands)	2007	2006
Partners in Injury Reduction rebates	$ 76,851	$ 75,806
Accrued employee benefits	23,815	23,184
Other	22,015	32,815
	$ 122,681	$ 131,805

Partners in Injury Reduction (PIR) rebates are paid to those employers that have met the eligibility requirements. The estimated rebate amount is based on several factors including premiums paid, year-over-year improvement on claims experience, and safety performance relative to industry benchmarks, among others. Historically, the PIR rebate accrual has ranged from 6% to 8% of total processed premiums.

10. Dividends

In accordance with the Funding Policy, the Board of Directors authorized a special dividend for 2007 with final approval of the 2007 audited financial statements. The table below is a reconciliation of the changes in the dividends charged to the Fund Balance and payable to employers that have met the eligibility criteria for the year:

($ thousands)	Charged to Fund Balance		Dividends Payable	
	2007	2006	**2007**	2006
Dividends, beginning of year			**$ 443,344**	$ 433,033
Payment of prior years' dividends			**(430,667)**	(431,626)
			12,677	1,407
Adjustment of prior years' accruals	**$ (9,932)**	$ (1,407)	**(9,932)**	(1,407)
Outstanding balance from prior years			**2,745**	-
Special dividend authorized for the year	**346,000**	443,344	**346,000**	443,344
Dividends, end of year	**$ 336,068**	$ 441,937	**$ 348,745**	$ 443,344

11. Claim Benefit Liabilities

Claim benefit liabilities as at December 31, 2007 have been independently valued by the WCB's external actuary. Claim benefit liabilities include a provision for all benefits provided by current legislation, WCB policies, and administrative practices. These liabilities also include a provision for the future expenses of administering those benefits, including funding obligations to the Appeals Commission and Medical Panel Office. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period. Claim benefit liabilities also do not include a provision for benefit costs of self-insured employers.

Since the claim benefit liabilities of WCB are of a long-term nature, the actuarial assumptions and methods used to calculate the reported claim benefit liabilities are based on considerations of future expenditures over the long term. As the determination of these liabilities requires assumptions about economic and other events that may occur many years in the future, but which are based on best information as at the valuation date, a significant degree of professional judgment must be exercised in developing these assumptions. Accordingly, changes in future conditions within one year of the financial statement date could require a material change in the recognized amounts.

Estimated future expenditures are expressed in constant dollars and then discounted at the assumed real rate of return on investments, i.e., the difference between expected long term investment earnings and the expected long term general inflation rate. Wage-based disability payments, rehabilitation costs, and claim administration costs are discounted at the rates shown in the assumptions table following the liabilities presentation. Health care costs are ultimately discounted at negative 1.10% (2006 – negative 0.86%) to reflect expected higher increases in health care costs and utilization.

The table below presents a breakdown of WCB's total claim benefit liabilities by benefit category as at December 31, 2007, with details of the transactions during the year:

($ thousands)	2007							2006
	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehabilitation	Claim Administration [2]	Total Claim Liabilities	Total Claim Liabilities
Claim benefit liabilities, beginning of year [1]	$ 358,000	$ 2,012,000	$ 425,100	$ 1,282,300	$ 107,500	$ 212,000	**$ 4,396,900**	$ 4,165,900
Increase in claim benefit liabilities:								
Claim costs incurred								
Current year injuries	168,476	161,124	19,650	301,077	30,342	95,242	**775,911**	718,051
Prior years' injuries	4,431	(53,765)	34,596	57,746	4,481	31,864	**79,353**	167,487
	172,907	107,359	54,246	358,823	34,823	127,106	**855,264**	885,538
Decrease in claim benefit liabilities:								
Claim payments made								
Current year injuries	72,376	2,524	1,350	106,977	1,742	27,442	**212,411**	204,051
Prior years' injuries	78,531	127,735	37,596	116,846	20,181	52,564	**433,453**	450,487
	150,907	130,259	38,946	223,823	21,923	80,006	**645,864**	654,538
Claim benefit liabilities, end of year	$ 380,000	$ 1,989,100	$ 440,400	$ 1,417,300	$ 120,400	$ 259,100	**$ 4,606,300**	$ 4,396,900

[1] Special Needs Allowance provision of $43,900 reclassified from short-term disability to long-term disability.
[2] Claim Administration payments of $80,006 (2006 - $73,933) is comprised of general claim administration (see Note 16) of $70,769 (2006 - $65,407), Appeals Commission (reclassified from other expense) of $8,980 (2006 - $8,526), and Medical Panel Office (new statutory obligation) of $257 (2006 - nil).

11. Claim Benefit Liabilities – continued

Key actuarial assumptions

The table below presents key net discount rate assumptions used to determine the claim benefit liabilities:

	2007	2006
Real rate of return	**3.00%**	3.25%
Wage-based disability payment rate	**3.50%**	3.75%
Rehabilitation and claim administration rate	**2.00%**	2.25%
Health care rate	**(1.10%)**	(0.86%)

These net discount rates are based on the following underlying long-term assumptions:

	2007	2006
General inflation rate (CPI growth)	**2.50%**	2.50%
Cost-of-living allowance	**2.00%**	2.00%
Nominal rate of return	**5.58%**	5.83%
Rehabilitation and claim administration escalation	**3.50%**	3.50%
Health care escalation	**6.75%**	6.75%

The December 31, 2007 valuation of claim benefit liabilities includes several changes to the actuarial assumptions and methods compared to those used for the previous valuation. The most significant change was the reduction by 0.25% of the real rate of return from the rate assumed at December 31, 2006 of 3.25% to the current rate of 3.00%.

Changes in claim benefit liabilities

The table below is a reconciliation of the major changes in the claim benefit liabilities during the year:

($ thousands)	2007		2006
Claim benefit liabilities, beginning of year		**$ 4,396,900**	$ 4,165,900
Add (deduct) changes in liabilities:			
Provision for future costs of current year injuries		**563,500**	514,000
Interest accrued on the liabilities		**242,500**	229,400
Payments for prior years' injuries, excluding self-insured employers		**(425,690)**	(443,095)
		4,777,210	4,466,205
Add (deduct) changes in actuarial methodology and experience:			
Changes in actuarial methods and assumptions:			
Reduction in the real rate of return	**114,800**		
New incidence rates for outstanding Economic Loss Payments	**(125,100)**		
Other changes in methods and assumptions	**(69,300)**	**(79,600)**	16,726
Claims experience (gains) and losses:			
Difference between actual and expected long-term cost-of-living adjustments and inflation	**77,100**		40,800
Actual costs less than expected	**(115,700)**		(92,500)
Other experience gains	**(52,710)**	**(91,310)**	(34,331)
		(170,910)	(69,305)
Claim benefit liabilities, end of year		**$ 4,606,300**	$ 4,396,900

11. Claim Benefit Liabilities – continued

Sensitivity of actuarial assumptions

The most significant assumption in the determination of the claim benefit liabilities is the real rate of return. The real rate of return is the assumed rate of return in excess of the assumed inflation rate. A reduction in the assumed real rate of return would increase the actuarial present value of the claim benefit liabilities.

Health care benefits represent approximately 31% of the claim benefit liabilities. An increase in the assumed health care escalation rate (above the assumed inflation rate) would result in an increase in the claim benefit liability for health care.

The table below presents key assumptions used to determine the claim benefit liabilities and the sensitivity of the liabilities to an immediate 0.25% increase or decrease in the assumed rates:

($ thousands)	2007		2006	
+/- % change on assumed rates	+0.25%	-0.25%	+0.25%	-0.25%
Real rate of return	**$ (126,000)**	**$ 133,000**	$ (114,600)	$ 118,500
Health care escalation rate	**$ 48,300**	**$ (45,800)**	$ 40,000	$ (38,400)

12. Employee Future Benefits

Pension plans

Employee post-retirement benefits are provided through contributory multi-employer defined benefit pension plans sponsored by the Province of Alberta, namely the Management Employees Pension Plan (MEPP) and Public Service Pension Plan (PSPP). As a plan participant in these multi-employer pension plans, the WCB expense for PSPP and MEPP for the year ended December 31, 2007 is equivalent to the aggregate annual contributions of $7,312 (2006 – $6,184). The current employer contribution rates on pensionable earnings are as follows:

- MEPP: 18.00% (2006 – 18.00%)
- PSPP: 6.69% up to YMPE[2] (2006 – 6.17%), 9.95% above YMPE (2006 – 8.81%)

Supplemental executive retirement plan

WCB sponsors a non-contributory supplemental executive retirement plan (SERP), with the WCB Accident Fund covering the obligations of the plan. Earnings of senior management generally exceed the threshold earnings for the maximum pension benefit permitted under the federal Income Tax Act. Under the terms of the SERP, senior managers are entitled to receive supplemental retirement payments that bring their total pension benefits to a level consistent with their total earnings. Future pension benefits are based on the participants' years of service and earnings.

The cost of benefits is actuarially determined by the WCB's benefit consultants using the projected benefit method prorated on service, a market interest rate, management's best estimate of projected costs, and the expected years of service until retirement. Current benefit cost represents the actuarial present value of the benefits earned in the current period. Current benefit costs are not cash payments in the period, but are the period expense for rights to future compensation. Interest cost represents the amount required in each year to build up the liability over the projected service period to its future value. Actuarial gains and losses arise from

[2] Year's Maximum Pensionable Earnings under the Canada Pension Plan ($43,700 in 2007, $44,900 in 2008)

12. Employee Future Benefits – continued

assumption and/or methodology changes and claim experience related to the benefit obligation, and are recognized immediately in current expense.

See Note 17 for a detailed breakdown of SERP costs.

Long-term disability plan

WCB administers a non-contributory long-term disability (LTD) income continuance plan for its employees, with the WCB Accident Fund covering the obligations of the plan. LTD benefits are the sum of all liabilities related to claims that have occurred in the period.

The cost of benefits is actuarially determined by the WCB's benefit consultants based on claims outstanding, a market interest rate, management's best estimate of projected costs, and the expected benefit period. Current benefit cost represents the actuarial present value of the expected future payments. Interest cost represents the amount required in each year to build up the liability over the projected benefit period to its future value. Actuarial gains and losses arise from assumption and/or methodology changes and claim experience related to the benefit obligation. Such gains and losses that exceed 10% of the benefit obligation are amortized over the expected average benefit period.

The table below is a summary of the costs and liability balances, as at December 31, 2007, of WCB's employee future benefit plans:

($ thousands)	2007		2006	
	LTD	SERP	LTD	SERP
Accrued benefit liability, beginning of year	$ 13,471	$ 666	$ 12,993	$329
Current benefit cost	434	212	1,449	150
Interest cost	451	47	535	25
Amortization of actuarial (gains) losses	(190)	-	(49)	-
Actuarial (gains) losses	n/a [1]	170	n/a [1]	162
Benefit payments	(1,444)	-	(1,457)	-
Accrued benefit liability, end of year [2]	$ 12,722	$ 1,095	$ 13,471	$ 666

[1] LTD plan has unrecognized net actuarial gains for 2007 of $1,829 (2006 - $3,006).
[2] Accrued benefit liabilities are included in "Accrued employee benefits" under "Payables and Accruals".

The table below presents key assumptions applicable to WCB-sponsored employee future benefit plans:

	2007		2006	
	LTD	SERP	LTD	SERP
Date of most recent actuarial valuation	12/31/2007	12/31/2007	12/31/2006	12/31/2006
Discount rate (nominal)	5.50%	5.50%	4.56%	5.30%
Inflation rate	n/a	3.00%	n/a	3.00%
Salary escalation rate	4.50%	5.00%	3.50%	5.00%

13. Premium Revenue

($ thousands)	2007	2006
Premiums		
Assessed premium revenue	$ 1,035,324	$ 1,079,098
Other premium related revenue	19,252	18,436
	1,054,576	1,079,098
Deduct: Partners in Injury Reduction rebates	76,851	75,806
	$ 977,725	$ 1,003,292

Assessed premium revenue includes an estimate of $22,259 (2006 - $58,885) for premiums yet to be assessed related to unreported insurable earnings. Historically, year-end premium revenue accruals have ranged from 2% to 6% of total processed premiums.

14. Investment Revenue

($ thousands)	2007	2006
Investment revenue [1] ***net***		
Fixed income		
Nominal bonds:		
Canada	$ 121,635	$ 127,943
Other markets	1,022	-
Mortgages	287	-
Cash and cash equivalents	5,148	3,680
	128,092	131,623
Equities		
Domestic:		
Canada	109,554	266,163
Foreign:		
Global [2]	242,195	138,090
Emerging markets	48,130	146,350
	399,879	550,603
Inflation-sensitive investments		
Real estate	36,627	21,734
Real-return bonds	11,307	18,283
	47,934	40,017
	575,905	722,243
Deduct:		
Other investment expense		
Provision for impairment writedown	6,435	2,740
Investment related administration expense [3]	1,495	1,330
	$ 567,975	$ 718,173

[1] Investment revenue is net of transaction costs as well as external management fees and expenses (i.e., custodial, audit, etc.) ($12,708; 2006 - $12,180) that are netted against the respective revenue source.

[2] Global equity income includes a gain of $118,336 (2006 - $35,881 loss) from the currency overlay.

[3] WCB internal expenses such as investment administration and accounting are netted against investment income, but not attributed to specific revenue sources.

15. Other Revenue

($ thousands)	2007	2006
Other	$ 217	$ 236
Millard Health[1]	733	1,897
	$ 950	$ 2,133

[1] Millard Health revenue is net of operating expenses of $23,754 (2006 - $23,728)

16. Administration Expenses

($ thousands)	2007	2006
Salaries and employee benefits	$ 107,425	$ 97,809
Office and technology	22,698	22,066
Amortization of property, plant and equipment	8,462	8,325
Building operations	5,679	4,655
Consulting fees	2,863	2,423
Travel and vehicle operation	1,087	989
Other	226	261
	148,440	136,528
Deduct:		
Claim administration costs	70,769	65,407
Investment management expenses charged to investment revenue	1,495	1,330
Recovery of costs	3,415	3,364
	$ 72,761	$ 66,427

17. Salaries and Benefits

The table below presents total compensation of the directors and senior management of WCB following the recommendations of the Salary and Benefits Disclosure Directive issued by the Treasury Board of Alberta:

	Base Salary [1]	Other Cash Benefits [2]	Other Non-Cash Benefits [3]	2007	2006 [4]
Chair, Board of Directors [5]	$ -	$ 78,650	$ 3,502	**$ 82,152**	$ 80,532
Board Members [5]	-	146,328	11,490	**157,818**	149,279
President and Chief Executive Officer	300,000	162,000	123,679	**585,679**	501,611
Vice President, Customer Service & Disability Management	200,000	76,180	109,311	**385,491**	319,914
Vice President, Customer Service & Risk Management	200,000	76,000	94,191	**370,191**	304,432
Vice President, Communications & Information Management	185,000	66,500	72,853	**324,353**	286,754
Vice President, Employee & Corporate Services	175,000	58,500	75,938	**309,438**	263,874
Chief Financial Officer	200,000	71,500	78,795	**350,295**	271,948
Secretary & General Counsel	175,000	58,500	79,844	**313,344**	265,897

Notes

[1] Base salary includes pensionable base pay.

[2] Other cash benefits include performance awards, special incentive pay, lump sum payments, honoraria, vacation pay and car allowances.

[3] Other non-cash benefits include:

- employer's share of all employee benefits and contributions or payments made to or on behalf of employees including statutory contributions, pension plan, health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long-term disability plan, travel allowances, educational costs, and professional and other memberships. No amounts are included for the value of parking and interest-free computer purchase loans.
- employer's net expense for the supplemental executive retirement plan (SERP). See note 12 for details of the plan, and the following table for the costs related to each named executive officer.

[4] Under the new Treasury Board Directive effective June 2007, certain actuarial adjustments relating to SERP have been included in other non-cash benefits. Accordingly, the 2006 numbers have been restated to reflect the current presentation.

[5] The Chair of the Board of Directors and the nine Board Members are part-time positions. There was one Board member vacancy for a period during 2007.

The current service cost for each executive under the SERP is presented in the table below:

	2007			2006
	Current Service Cost [1]	Other Costs [2]	Net Expense	Net Expense
President and Chief Executive Officer	$ 58,100	$ 34,900	**$ 93,000**	$ 116,100
Vice President, Customer Service & Disability Management	33,100	48,800	**81,900**	57,300
Vice President, Customer Service & Risk Management	30,000	35,700	**65,700**	40,800
Vice President, Communications & Information Management	22,600	18,300	**40,900**	35,700
Vice President, Employee & Corporate Services	19,400	29,400	**48,800**	30,300
Chief Financial Officer	28,100	21,100	**49,200**	26,500
Secretary & General Counsel	21,000	28,400	**49,400**	30,200
	$ 212,300	$ 216,600	**$ 428,900**	$ 336,900

Notes

[1] Current service cost represents the actuarial present value of future benefit obligations arising from employee service in the current period.

[2] Other costs include interest on the liability and actuarial gains and losses arising from assumption changes and/or experience.

17. Salaries and Benefits – continued

The accrued benefit obligation for each executive under the SERP is presented in the table below:

	Accrued Obligation Dec. 31 2006	Change in Accrued Obligation	**Accrued Obligation Dec. 31 2007**
President and Chief Executive Officer	$ 261,200	$ 93,000	**$ 354,200**
Vice President, Customer Service & Disability Management	99,300	81,900	**181,200**
Vice President, Customer Service & Risk Management	90,100	65,700	**155,800**
Vice President, Communications & Information Management	67,900	40,900	**108,800**
Vice President, Employee & Corporate Services	58,100	48,800	**106,900**
Chief Financial Officer	26,500	49,200	**75,700**
Secretary & General Counsel	63,000	49,400	**112,400**
	$ 666,100	$ 428,900	**$ 1,095,000**

18. Self-Insured Employers

The financial statements include the effects of transactions on behalf of self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenses. Currently, the Federal Government is the only self-insured employer. This is a contractual relationship in accordance with the Government Employees Compensation Act. Certain government-related entities and railways are responsible for the cost of injuries to their workers that occurred when they were self-insured in prior years.

Included in the balance sheet is $1,071 (2006 - $1,545) for receivables. Presented below are the aggregate amounts of premiums and offsetting expenses included in the statement of operations.

($ thousands)		2007		2006
Other premium related revenue (Note 13)	**$**	**10,111**	$	9,706
Claim costs	**$**	**8,247**	$	8,195
Administration		**1,864**		1,511
	$	**10,111**	$	9,706

19. Injury Reduction

WCB has a statutory obligation to reimburse the Alberta Minister of Finance a portion of the costs associated with administration of the Occupational Health and Safety Act. Funding is also provided to industry-sponsored safety associations to promote improved workplace safety practices. The following table shows the amounts paid during 2007 under these programs:

($ thousands)		2007		2006
Occupational Health and Safety	**$**	**20,900**	$	14,100
Safety associations		**10,176**		8,126
	$	**31,076**	$	22,226

20. Related Party Transactions

Included in these financial statements are transactions with various Alberta crown corporations, departments, agencies, boards, and commissions related to WCB by virtue of common influence by the Government of Alberta. Routine operating transactions in the ordinary course of business with related parties are settled at prevailing market prices under normal trade terms.

WCB has statutory funding obligations relating to Occupational Health and Safety, Appeals Commission, and Medical Panel Office that are in accordance with the applicable legislation and regulations. These funding costs are recovered as a component of the assessed premium rate charged to employers.

Effective January 1, 2007, statutory funding costs related to the Appeals Commission and the Medical Panel Office have been reclassified to claim administration as part of claim costs. This change in presentation is consistent with the 2006 change in actuarial methodology to include external tribunals in the liability for claim administration.

The amounts outstanding at December 31, 2007 and transactions throughout the year related to statutory funding obligations are as follows:

($ thousands)	2007	2006
Receivables	$ 3	$ 3
Payables and accruals	$ 2,031	$ 5,529
Expenses	$ 29,879	$ 22,365

21. Commitments

WCB has obligations under long-term non-cancellable contracts for land, office space, leased equipment, and commitments for purchases of goods and services. The following is a schedule of future expenditure commitments:

($ thousands)	2007	2006
2007	$ -	$ 17,698
2008	16,417	10,412
2009	5,648	2,910
2010	2,061	1,252
2011	424	144
Beyond	3,056	2,891
	$ 27,606	$ 35,307

22. Contingencies and Indemnification

Legal proceedings

WCB is party to various claims and lawsuits related to the normal course of business that are currently being contested. In the opinion of management, the outcome of such claims and lawsuits are not determinable. However, based on the total amount of all such actions, WCB has concluded that their outcomes, either individually or in aggregate, will not have a material effect on the results of operations or financial position.

22. Contingencies and Indemnification – continued

Indemnification agreements

In the normal course of business, WCB enters into contractual agreements that contain standard contract terms to indemnify certain parties against loss. The terms of these indemnification clauses will vary based upon the contract, and/or the occurrence of contingent or future events, the nature of which prevents WCB from making a reasonable estimate of the potential amount that may be payable to those contractual parties. Such indemnifications are not significant, nor has WCB made any payments or accrued any amounts in the financial statements in respect of these indemnifications.

23. Budget

The Board of Directors approved the 2007 budget in October 2006. The budget may be viewed by visiting the WCB-Alberta web site at

24. Comparative Figures

Certain comparative figures for 2006 have been reclassified where required to conform to the current year's presentation and disclosure.

Glossary - Workers' Compensation Board Financial Statements

Actuarial required real rate of return	The real rate of return (nominal rate less inflation) on actuarially matched investment assets that will generate sufficient income to cover the interest requirement on the liability. Actuarially matched assets represent the sum that must be invested to earn a real rate of return (identical to the real discount rate) to fully discharge the actuarial liability at maturity. See also **real discount rate**.
Asset - liability management	A risk management approach to ensure sufficiency of resources to fully discharge specified obligations by managing the risk characteristics of invested assets relative to liabilities for such factors as yields, duration and credit rating.
Asset - liability study	A financial model for determining the appropriate amount and mix of investment assets, given a specified level of risk, to generate a return that is sufficient to fund the interest requirement of matched claim-benefit liabilities.
Asset overlay	A portfolio management technique designed to replicate an asset or portfolio position without actually holding securities directly. The desired position is achieved by entering into a futures contract or option on the future price movement of a security or an index.
Average premium rate	Calculated as total revenue requirements (see **fully funded claim costs**) divided by the projected insurable earnings for the premium year.
Comprehensive income	The change in equity (or **net assets**) of an enterprise during a period from all transactions and events other than investments by and distributions to owners. Comprehensive income is composed of operating income and other comprehensive income, which includes those revenues, expenses, gains and losses that, in accordance with the primary sources of GAAP, are recognized in comprehensive income but excluded from operating income.
Currency overlay	A foreign-currency risk management strategy used in international investment portfolios to separate the management of currency risk from the asset allocation and security selection decisions of the fund managers.
Derivative	A **financial instrument** whose characteristics and value depend upon the characteristics and value of an underlying security, typically a commodity, bond, equity, or currency. Examples of derivatives include futures and options. Derivatives are used to manage the risk associated with the underlying security, to protect against fluctuations in value, or to profit from periods of inactivity or decline.
Fair value	The amount of the consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. In the context of investments, fair value is generally synonymous with market value.

Financial instrument

Any contract that gives rise to a financial asset (e.g., cash equivalent, accounts or note receivable, share security) of one party and a financial liability (e.g., accounts or note payable, bond) or equity instrument (e.g., stock option, warrant) of another party.

Financial risk

The possibility or chance that an investment's return will be other than expected, positively or negatively. In general, financial risk has a negative meaning, as in the possibility of losing some or all of the original investment, or adverse changes in its cash flows. For a specific investment, risk is usually measured by calculating the standard deviation of its historical or average returns. See also **risk**.

Fully funded claim costs

The aggregate of costs of claims arising in the current year, administration costs related to those claims, a provision for future costs of current-year claims, general administration expenses for WCB operations, transfer levies for workplace safety programs and the Appeals Commission, and ongoing funding of the Occupational Disease Reserve. Fully funded claim costs form the basis for the revenue requirements for rate-setting purposes.

Funded Position

The excess of total assets less total liabilities, expressed either in dollar terms (see **net assets**) or as a ratio of total assets to total liabilities. The Funded Position is the measure of financial solvency or the sufficiency of assets to meet all obligations. It is the aggregate amount of accumulated equity generated by operating surplus, reserves and other comprehensive income.

Funded ratio

The Funded Position expressed as a percentage of total assets to total liabilities, indicating the amount of accumulated surplus, investment holding gains or losses, and reserves available to fund unexpected increases in liabilities.

Hedging

A portfolio management activity designed to modify an entity's exposure to one or more financial risks by creating an offset between changes in the fair value of or the cash flows attributable to the hedged item and the hedging item (or the changes resulting from a particular risk exposure relating to those items).

Meredith Principle

In his report on workers' compensation in 1913, then-Chief Justice of Ontario Sir William Meredith outlined a framework that is now commonly referred to as the Meredith Principle:

- Workers receive compensation benefits regardless of fault for work-related injuries.
- Employers share collective liability for the costs of work-related injuries, and, in return, employees waive the right to sue.
- Injured workers are entitled to prompt payment of benefits, and future payments are guaranteed.
- The workers' compensation agency has exclusive jurisdiction over all legal matters arising out of the enabling legislation.
- The agency is financially independent of the government and enjoys full autonomy over all administrative and adjudicative matters.

Net assets

The excess of total assets less total liabilities; another expression of **Funded Position** in dollar terms. When total liabilities exceed total assets, the deficit is known as unfunded liability.

Real discount rate

The rate used to discount the actuarial projections of all future claim benefit payments back to present value. The rate is based on the real rate of return that the investment portfolio is expected to generate over the long term. The real discount rate is also called the net discount rate or the **actuarial required real rate of return** when applied in a portfolio context.

Real rate of return

The annual percentage return realized on an investment, adjusted for changes in prices due to inflation or deflation.

Return

The return consists of interest and dividend income and the capital gains or losses associated with an investment. The return is usually quoted as a percentage of the investment's market value (market return) or its book value (book return). Performance of an investment or a pool of investments is the actual rate of return over a given evaluation period.

Risk

In general usage, risk is the possibility or chance that a future event or outcome will be different than expected, either positively or negatively. See also **financial risk**

Appendices

Employment, Immigration and Industry

Appendices

- Appendix A – Ministry Acts
- Appendix B – Ministry Office Locations
- Appendix C – Alphabetical List of Government Entities' Financial Statements
- Appendix D – Government Organization Changes 2008-09
- Appendix E – Performance Measures Sources and Methodologies

Appendix A

Ministry Acts

Agrology Profession Act
- Agrology Profession Regulation (AR 71/2007)

Alberta Economic Development Authority Act
- No regulations

Architects Act
- Code of Ethics (AR 240/1981)
- Education and Training Regulation (AR 241/1981)
- Interior Design Regulation (AR 174/1983)
- Practice Review Regulation (AR 175/1983)
- Professional Practice Regulation (AR 242/1981)

Blind Workers' Compensation Act
- No regulations

Burial of the Dead Act
- No regulations

Consulting Engineers of Alberta Act
- General Regulation (AR 78/2004)

Employment Standards Code
- Employment Standards Regulation (AR 14/1997)

Engineering, Geological and Geophysical Professions Act
- General Regulation (AR 150/1999)
- Registered Professional Technologist (Geological) and Registered Professional Technologist (Geophysical) Regulation (AR 36/2003)

Government Organization Act
- Grants, Donations and Loans Regulation (AR 315/1983)
- Radiation Health Administration Regulation (AR 49/1996)

Income and Employment Supports Act
- Child and Adult Support Services Regulation (AR 61/2004)
- Employment and Training Benefits for Persons with Disabilities Regulation (AR 59/2004)
- Income Supports, Health and Training Benefits Regulation (AR 60/2004)
- Recovery Regulation (AR 46/2004)
- Recovery, Administrative Penalties and Appeals Regulation (AR 381/2003)
- Support Agreement Regulation (AR 155/2005)
- Temporary Employment and Job Creation Programs Regulation (AR 380/2003)
- Training Provider Regulation (AR 384/2003)

Labour Relations Code

- Construction Industry Jurisdictional Assignment Plan Regulation (AR 2/2000)
- Construction Industry Labour Relations Regulation (AR 165/2005)
- Horizon Oil Sands Project Designation Regulation (AR 264/2004)
- Regional Health Authority Collective Bargaining Regulation (AR 80/2003)

Land Agents Licensing Act

- Land Agents Licensing Regulation (AR 227/2001)

Land Surveyors Act

- Code of Ethics (AR 324/1982)
- Discipline Regulation (AR 325/1982)
- Examination and Training Regulation (AR 86/2003)
- Professional Practice Regulation (AR 327/1982)

Managerial Exclusion Act

- No regulations

MLA Compensation Act

- No regulations

Northern Alberta Development Council Act

- No regulations

Occupational Health and Safety Act

- Farming and Ranching Exemption Regulation (AR 27/1995)
- Occupational Health and Safety Code 2006 Order (AR 288/2006)
- Occupational Health and Safety Regulation (AR 62/2003)

Police Officers Collective Bargaining Act

- No regulations

Professional and Occupational Associations Registration Act

- Alberta Community Planner Regulation (AR 240/1989)
- Alberta Institute of Purchasing Management Regulation (AR 131/1989)
- Alberta Shorthand Reporters Regulation (AR 197/1996)
- Certified Management Consultants Regulation (AR 166/2005)
- Human Ecologist and Home Economist Regulation (AR 119/2002)
- Information Systems Professional Regulation (AR 39/1997)
- Local Government Managers Regulation (AR 52/2006)
- Municipal Assessor Regulation (AR 84/1994)
- Professional Biologists Regulation (AR 120/2002)
- Professional Chemists Regulation (AR 248/2001)
- Professional Electrical Contractors Regulation (AR 36/2004)
- School Business Officials Regulation (AR 37/2004)

Public Service Employee Relations Act

- No regulations

Radiation Protection Act

- Radiation Protection Regulation (AR 182/2003)

Regulated Accounting Profession Act

- Certified General Accountants Regulation (AR 176/2001)
- Certified Management Accountants Regulation (AR 177/2001)
- Chartered Accountants Regulation (AR 178/2001)

Regulated Forestry Profession Act

- Expenses and Review Fees Regulation (AR 77/2002)
- Registered Professional Forest Technologists Regulation (AR 76/2002)
- Registered Professional Foresters Regulation (AR 75/2002)

Special Payment Act

- No regulations

Veterinary Profession Act

- Exemption Regulation (AR 43/1986)
- General Regulation (AR 44/1986)

Widows' Pension Act

- Widows' Pension Regulation (AR 166/1983)

Workers' Compensation Act

- Firefighters' Primary Site Cancer Regulation (AR 102/2003)
- Medical Panels Regulation (AR 290/2006)
- Workers' Compensation Regulation (AR 325/2002)

The Minister of Employment, Immigration and Industry continues to be designated as the Minister responsible for the following enactments:

- *Government Organization Act*, Schedule 3, section 1 - Career Development - Immigration Program
- *Government Organization Act*, Schedule 3, section 2 - Donations and Loans
- *Government Organization Act*, Schedule 8 - Joint Board of Practice - Architects Association and the Engineers Association
- *Government Organization Act*, Schedule 10, sections 2, 3, 4, 9 and 10 - Labour Statutes Delegation - The Minister of Municipal Affairs and Housing, and the Minister of Employment, Immigration and Industry have common responsibilities for these sections
- *Government Organization Act*, Designation and Transfer of Responsibility Regulation (AR 44/2001) - The Ministry is not responsible for this regulation, however it does list the Acts our Minister is responsible for
- *Health Professions Act*, section 22 - The Deputy Minister of Employment, Immigration and Industry has the authority to designate one employee to the Health Professions Advisory Board
- The responsibility for the *Statistics Bureau Act*, except section 6, is transferred to the common responsibility of the Minister of Finance and the Minister of Employment, Immigration and Industry.

Appendix B

Ministry Office Locations

DEPARTMENT OF EMPLOYMENT, IMMIGRATION AND INDUSTRY SERVICE OFFICES

ATHABASCA

Alberta Service Centre
300 Duniece Centre
4810 – 50 Street
Athabasca AB T9S 1C9
Phone: 780-675-2243

BARRHEAD

Alberta Service Centre
PO Box 4517
Provincial Building
6203 – 49 Street
Barrhead AB T7N 1A4
Phone: 780-674-8345

BONNYVILLE

Alberta Service Centre
Box 8115, New Park Place
5201 – 44 Street
Bonnyville AB T9N 2J4
Phone: 780-826-4175

BOW CORRIDOR

Alberta Service Centre
301 Provincial Building
800 Railway Avenue
Canmore AB T1W 1P1
Phone: 403-678-2363

BROOKS

Alberta Service Centre
200, 600 Cassils Road East
Brooks AB T1R 1M6
Phone: 403-362-1278

CALGARY - EAST

Alberta Service Centre
Main Floor Radisson Centre
525 – 28 Street SE
Calgary AB T2A 6W9
Phone: 403-297-1907

Canada-Alberta Service Centre
1502 Marlborough Mall
515 Marlborough Way NE
Calgary AB T2A 7E7
Phone: 403-297-7570

CALGARY - NORTH

Canada-Alberta Service Centre
One Executive Place
300, 1816 Crowchild Road NW
Calgary AB T2M 3Y7
Phone: 403-297-3951

CALGARY - SOUTH/CENTRAL

Alberta Service Centre
10th & 10th Office
Main Floor, RPW Building
1021 – 10 Avenue SW
Calgary AB T2R 0B7
Phone: 403-297-2094

Calgary Child Support Services
7th Floor John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: 403-297-6060

Calgary - Regional Development Office
Suite 300
Standard Life Building
639 - 5th Avenue SW
Calgary AB T2P 0M9
Phone: 403-297-8920

Canada-Alberta Service Centre
100, 6712 Fisher Street SE
Calgary AB T2H 1X3
Phone: 403-297-4024

Employment Standards Storefront Operations
700 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 780-427-3731
Toll-free: 1-877-427-3731

Labour Market Information Centre
5th Floor Century Park Place
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: 403-297-6344

Temporary Foreign Worker Advisory Office
3rd Floor John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: 1-877-944-9955

Workplace Health & Safety South Region
600 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 1-866-415-8690

CAMROSE

Alberta Service Centre
3rd Floor Gemini Centre
6708 – 48 Avenue
Camrose AB T4V 4S3
Phone: 780-608-2525

Camrose - Regional Development Office
5005 – 49 Street
Camrose AB T4V 1N5
Phone: 780-679-1235

CLARESHOLM

Alberta Service Centre
Box 1650, Provincial Building
109 – 46 Avenue West
Claresholm AB T0L 0T0
Phone: 403-625-4457

COCHRANE

Itinerant Site
213 – 1 Street West
Cochrane AB T4C 1A5
Phone: 403-678-2363

COLD LAKE

Alberta Service Centre
PO Box 698
408, 6501B – 51 Street
Cold Lake AB T9M 1P2
Phone: 780-594-1984

CROWSNEST PASS

Alberta Service Centre
PO Box 870
Provincial Building
12501 – 20 Avenue
Blairmore AB T0K 0E0
Phone: 403-562-3285

DRAYTON VALLEY

Sub-Office
PO Box 7595
2nd Floor Provincial Building
5136 – 51 Avenue
Drayton Valley AB T7A 1S7
Phone: 780-542-3134

DRUMHELLER

Alberta Service Centre
Box 2079
2nd Floor Riverside Centre
180 Riverside Drive East
Drumheller AB T0J 0Y0
Phone: 403-823-1616

EDMONTON - CITY CENTRE

Alberta Service Centre
3rd Floor, 10242 – 105 Street
(Labour Market Information Centre – Main Floor)
Edmonton AB T5J 3L5
Phone: 780-415-4900
LMIC Phone: 780-427-9674

Child Support Services Office
9th Floor
Centre West Building
10035 – 108 Street
Edmonton AB T5J 3E1
Phone: 780-415-6400

Edmonton Region - Regional Development Office
5th Floor Commerce Place
10155 – 102 Street
Edmonton AB T5J 4L6
Phone: 780-415-8745

Employment Standards Storefront Operations
Main Floor Sterling Place
9940 – 106 Street
Edmonton AB T5K 2N2
Phone: 780-427-3731
Toll-free: 1-877-427-3731

Temporary Foreign Worker Advisory Office
2nd Floor, 10242 – 105 Street
Edmonton AB T5J 3L5
Phone: 1-877-944-9955

Wood Buffalo Region - Regional Development Office
5th Floor Commerce Place
10155 – 102 Street
Edmonton AB T5J 4L6
Phone: 780-427-0802

Workplace Health & Safety North Region
10th Floor South Tower
Capital Health Centre
10030 – 107 Street
Edmonton AB T5J 3E4
Phone: 780-415-8690

EDMONTON - NORTH

Alberta Service Centre
200, 13415 Fort Road
Edmonton AB T5A 1C6
Phone: 780-422-9440

Canada-Alberta Service Centre
Unit 2000, Northgate Centre
9499 – 137 Avenue
Edmonton AB T5E 5R8
Phone: 780-422-9440

EDMONTON - SOUTH

Canada-Alberta Service Centre
Argyll Centre
6325 Gateway Boulevard NW
Edmonton AB T6H 5H6
Phone: 780-644-2888

EDMONTON - WEST

Alberta Service Centre
200 Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4A9
Phone: 780-415-6500

Canada-Alberta Service Centre
120 Meadowlark Shopping Centre
15710 – 87 Avenue
Edmonton AB T5R 5W9
Phone: 780-415-8116

EDSON

Canada-Alberta Service Centre
102 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: 780-723-8317

Edson - Regional Development Office
111 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: 780-723-8229

Employment Standards
Walk-In Address
Canada-Alberta Service Centre
102 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Toll-free: 1-877-427-3731

FORT MCMURRAY

Canada-Alberta Service Centre
Main Floor
Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: 780-743-7192

Employment Standards
714 Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Toll-free: 1-877-427-3731

FORT SASKATCHEWAN

Itinerant Site
162, 10404 – 99 Avenue
Fort Saskatchewan AB T8L 3W2
Phone: 780-939-1251

GRANDE CACHE

Alberta Service Centre
PO Box 240
702 Pine Plaza Mall
Grande Cache AB T0E 0Y0
Phone: 780-827-3335

GRANDE PRAIRIE

Canada-Alberta Service Centre
100 Towne Centre Mall
9845 – 99 Avenue
Grande Prairie AB T8V 0R3
Phone: 780-538-6241

Employment Standards
3201 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Toll-free: 1-877-427-3731

Grande Prairie - Regional Development Office
3501 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: 780-538-5636

Workplace Health & Safety
3rd Floor Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: 1-866-415-8690

HIGH LEVEL

Alberta Service Centre
Box 774
2nd Floor Provincial Building
10106 – 100 Avenue
High Level AB T0H 1Z0
Phone: 780-841-4315

HIGH PRAIRIE

Alberta Service Centre
PO Box 849
2nd Floor Provincial Building
5226 – 53 Avenue
High Prairie AB T0G 1E0
Phone: 780-523-6650

High Prairie - Regional Development Office
Mailing Address
Box 2739
High Prairie AB T0G 1E0

Civic Address
2nd Floor Brost Building
High Prairie AB T0G 1E0
Phone: 780-523-6698

HINTON

Alberta Service Centre
568 Carmichael Lane
Hinton AB T7V 1S8
Phone: 780-865-8273

LAC LA BICHE

Alberta Service Centre
PO Box 420
Provincial Building
9503 Beaverhill Road
Lac La Biche AB T0A 2C0
Phone: 780-623-5215

LEDUC

Alberta Service Centre
4901 – 50 Avenue
Leduc AB T9E 6M1
Phone: 780-980-0557

LETHBRIDGE

Canada-Alberta Service Centre
Mail Bag 3014
Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: 403-380-2272

Employment Standards
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Toll-free: 1-877-427-3731

Lethbridge - Regional Development Office
105 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: 403-381-5414

Workplace Health & Safety
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: 1-866-415-8690

LLOYDMINSTER

Alberta Service Centre
2nd Floor Provincial Building
5124 – 50 Street
Lloydminster AB T9V 0M3
Phone: 780-871-6405

Canada-Alberta Service Centre
5016 – 48 Street
Lloydminster AB T9V 0H8
Phone: 780-871-6445

MEDICINE HAT

Canada-Alberta Service Centre
201 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 403-529-3550

Employment Standards
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Toll-free: 1-877-427-3731

Medicine Hat - Regional Development Office
109 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 403-529-3630

Workplace Health & Safety
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 1-866-415-8690

OLDS

Alberta Service Centre
PO Box 3810
4905 – 50 Avenue
Olds AB T4H 1P5
Phone: 403-507-8060

PEACE RIVER

Alberta Service Centre
Bag 900-15
Midwest Building
9715 – 100 Street
Peace River AB T8S 1T4
Phone: 780-624-6135

Employment Standards
Main Floor
Provincial Building
9621 – 96 Avenue
Peace River AB T8S 1T4
Toll-free: 1-877-427-3731

Peace River - Regional Development Office
Bag 900-3
105 Provincial Building
9626 – 96 Avenue
Peace River AB T8S 1T4
Phone: 780-624-6113

PINCHER CREEK

Alberta Service Centre
Box 2138
160 Provincial Building
782 Main Street
Pincher Creek AB T0K 1W0
Phone: 403-627-1125

Pincher Creek - Regional Development Office
Box 2138
221 Provincial Building
Pincher Creek AB T0K 1W0
Phone: 403-627-1165

RED DEER

Alberta Service Centre
109 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 403-340-5439

Canada-Alberta Service Centre
3rd & 4th Floors
Box 302
First Red Deer Place
4911 – 51 Street
Red Deer AB T4N 6V4
Phone: 403-340-5353

Employment Standards
209 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Toll-free: 1-877-427-3731

Red Deer - Regional Development Office
201 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 403-340-5300

Workplace Health & Safety
2nd Floor
Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 1-866-415-8690

ROCKY MOUNTAIN HOUSE

Alberta Service Centre
PO Box 1180
Main Floor
New Provincial Building
4919 – 51 Street
Rocky Mountain House AB
T4T 1A8
Phone: 403-845-8590

SHERWOOD PARK

Alberta Service Centre
Trillium Centre
121 Crimson Avenue
Sherwood Park AB T8H 2T5
Phone: 780-464-7000

SLAVE LAKE

Alberta Service Centre
PO Box 70
2nd Floor Lakeland Centre
101 Main Street South
Slave Lake AB T0G 2A0
Phone: 780-849-7290

SMOKY LAKE

Itinerant Site
Provincial Building
4212 – 55 Avenue
Smoky Lake AB T0A 3C0
Phone: 780-632-5453

SPRUCE GROVE

Alberta Service Centre
200 Westgrove Professional Building
131 – 1 Avenue
Spruce Grove AB T7X 2Z8
Phone: 780-962-8681

ST. ALBERT

Alberta Service Centre
Provincial Building
30 Sir Winston Churchill Avenue
St. Albert AB T8N 3A3
Phone: 780-419-3907

ST. PAUL

Canada-Alberta Service Centre
PO Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: 780-645-6473

Employment Standards
Mailing Address
PO Box 403
Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4

Walk-In Address
Canada-Alberta Service Centre
Provincial Building
5126 – 50 Avenue
St. Paul AB T0A 3A0
Toll-free: 1-877-427-3731

St. Paul - Regional Development Office
308 Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4
Phone: 780-645-6358

STETTLER

Alberta Service Centre
Postal Bag 600
4835 – 50 Street
Stettler AB T0C 2L0
Phone: 403-742-7586

TABER

Sub-Office
Provincial Building
5011 – 49 Avenue
Taber AB T1G 1V9
Phone: 403-223-7921

VEGREVILLE

Alberta Service Centre
PO Box 1590
5121 – 49 Street
Vegreville AB T9C 1S7
Phone: 780-632-8686

VERMILION

Alberta Service Centre
PO Box 25
Provincial Building
4701 – 52 Street
Vermilion AB T9X 1J9
Phone: 780-853-8164

WAINWRIGHT

Alberta Service Centre
Suite 19 Provincial Building
810 – 14 Avenue
Wainwright AB T9W 1R2
Phone: 780-842-7500

WESTLOCK

Alberta Service Centre
10211A – 100 Street
Westlock AB T7P 2G5
Phone: 780-349-7700

WETASKIWIN

Alberta Service Centre
1st Floor Macadil Building
5201 – 51 Avenue
Wetaskiwin AB T9A 0V5
Phone: 780-361-1272

WHITECOURT

Alberta Service Centre
Box 749
202 Midtown Mall
5115 – 49 Street
Whitecourt AB T7S 1N7
Phone: 780-778-7149

EII CONTACT CENTRES

7th Floor Park Plaza
10611 – 98 Avenue
Edmonton AB T5K 2P7

Adult Health Benefits
Phone: 780-644-1365
Toll-free: 1-866-252-5783

Canada-Alberta JOBS
Phone: 780-427-5627
Toll-free: 1-877-999-1546

Career Information Hotline
Phone: 780-422-4266
Toll-free: 1-877-661-3753

Child Health Benefits
Phone: 780-427-6848
Toll-free: 1-877-469-5437

Employment Standards
Phone: 780-427-3731
Toll-free: 1-877-427-3731

Foreign Worker Hotline
Phone: 780-427-6419
Toll-free: 1-877-427-6419

Income Support Services
Phone: 780-644-5135
Toll-free: 1-866-644-5135

Student Funding
Phone: 780-427-3722
Toll-free: 1-877-222-6485

Workplace Health & Safety
Phone: 780-415-8690
Toll-free: 1-866-415-8690

ALBERTA ECONOMIC DEVELOPMENT AUTHORITY

CALGARY

McDougall Centre
455 – 6 Street SW
Calgary AB Canada T2P 4E8
Phone: 403-297-3022

MEDICINE HAT

104 Provincial Building
3456 – 3 Street SE
Medicine Hat AB Canada T1A 0G7
Phone: 403-529-3633

ALBERTA LABOUR RELATIONS BOARD

EDMONTON
501 Labour Building
10808 – 99 Avenue
Edmonton AB T5K 0G5
Phone: 780-422-5926

CALGARY
3rd Floor Deerfoot Junction
Tower 3
1212 – 31 Avenue NE
Calgary AB T2E 7S8
Phone: 403-297-4334

APPEALS COMMISION FOR ALBERTA WORKERS' COMPENSATION

EDMONTON
Energy Square Building
#901, 10109 – 106 Street
Edmonton AB T5J 3L7
Phone: 780-412-8700

CALGARY
Braithwaite Boyle Building
#206, 1701 Centre Street North
Calgary AB T2E 7Y2
Phone: 403-508-8800

NORTHERN ALBERTA DEVELOPMENT COUNCIL

LAC LA BICHE
15 Nipewon Road
P.O. Box 1650
Lac La Biche AB T0A 2C0
Phone: 780-623-6982
Toll-free: 310-0000

PEACE RIVER
206 Provincial Building
9621 – 96 Avenue, Postal Bag 900-14
Peace River AB T8S 1T4
Phone: 780-624-6274
Toll-free: 310-0000

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

EDMONTON
9th Floor Labour Building
10808 – 99 Avenue
Edmonton, AB T5K 0G5
Phone: 780-415-0599

RURAL ALBERTA'S DEVELOPMENT FUND

TOFIELD
Site 4, Box 17, RR #4
Tofield, AB T0B 4J0
Toll-free: 1-877-940-7233

WORKERS' COMPENSATION BOARD – ALBERTA

EDMONTON
PO Box 2415
9912 – 107 Street
Edmonton AB T5J 2S5
Phone: 780-498-3999
Toll-free: 1-866-922-9221

CALGARY
300 – 6 Avenue SE
Calgary AB T2G 0G5
Phone: 403-517-6000

WORKERS' COMPENSATION MEDICAL PANELS

EDMONTON
Suite 2701 TD Tower
10088 – 102 Avenue
Edmonton AB T5J 2Z1
Telephone: 780-990-0059
Toll-free: 1-866-990-0214

Appendix C

Alphabetical List of Entities' Financial Statements in Ministry 2007-08 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board[1]	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Investment Management Corporation[2]	Finance
Alberta Local Authorities Pension Plan Corporation	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branches	Finance
Alberta Utilities Commission[1]	Energy
ATB Insurance Advisors Inc.	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Securities Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Climate Change and Emissions Management Fund[3]	Environment
Credit Union Deposit Guarantee Corporation	Finance

[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
[2] Began operations January 1, 2008.
[3] Began operations July 1, 2007.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Environment	Environment
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Energy Resources Conservation Board[1]	Energy
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Tourism, Parks, Recreation and Culture
Historic Resources Fund	Tourism, Parks, Recreation and Culture
Human Rights, Citizenship and Multiculturalism Education Fund	Tourism, Parks, Recreation and Culture
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Food	Agriculture and Food
Ministry of Children's Services	Children's Services
Ministry of Education	Education
Ministry of Employment, Immigration and Industry[4]	Employment, Immigration and Industry
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council[4]	Executive Council
Ministry of Finance	Finance
Ministry of Health and Wellness	Health and Wellness
Ministry of Infrastructure and Transportation[4]	Infrastructure and Transportation
Ministry of International, Intergovernmental and Aboriginal Relations[4]	International, Intergovernmental and Aboriginal Relations
Ministry of Justice[4]	Justice
Ministry of Municipal Affairs and Housing	Municipal Affairs and Housing
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta [4]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security

[1] Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.
[4] Ministry includes only the departments so separate departmental financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Ministry of the Treasury Board [4]	Treasury Board
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board[5]	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs and Housing
School Boards and Charter Schools:	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	

[4] Ministry includes only the departments so separate departmental financial statements are not necessary.
[5] Ceased operations June 30, 2006.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
School Boards and Charter Schools:	Education
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs and Housing
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Service Alberta
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Service Alberta
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs and Housing
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Employment, Immigration and Industry

Appendix D

Government Organization Changes 2008-09

Ministry	Program/Entity Changes	Previous Location	New Location
Aboriginal Relations	Aboriginal Governance, Consultation and Economic Development	Former International, Intergovernmental and Aboriginal Relations	
	First Nations Development Fund	Former Tourism, Parks, Recreation and Culture	
Advanced Education and Technology	no change		
Agriculture and Rural Development	Rural Development	Former Employment, Immigration and Industry	
Children and Youth Services (formerly Children's Services)	Women's Issues	Former Employment, Immigration and Industry	
Culture and Community Spirit	Culture, Community Lottery Grants, Heritage, Human Rights and Citizenship	Former Tourism, Parks, Recreation and Culture	
	Alberta Foundation for the Arts		
	Alberta Historical Resources Foundation		
	Government House Foundation		
	Historic Resources Fund		
	Human Rights, Citizenship and Multiculturalism Education Fund		
	Wild Rose Foundation		
	Community and Voluntary Services	Former Municipal Affairs and Housing	
Education	no change		
Employment and Immigration	Francophone Secretariat	Former Tourism, Parks Recreation and Culture	
	except Rural Development		Agriculture and Rural Development
	except Economic Development		Finance and Enterprise, and International and Intergovernmental Relations

Ministry	Program/Entity Changes	Previous Location	New Location
Employment and Immigration	except Northern Alberta Development Council		Finance and Enterprise
	except Alberta Economic Development Authority		
	except Women's Issues		Children and Youth Services
Energy	no change		
Environment	no change		
Executive Council	no change		
Finance and Enterprise	Regulatory Review Secretariat	Service Alberta	
	Economic Development, except Investment Attraction	Former Employment, Immigration and Industry	
	Northern Alberta Development Council		
	Alberta Economic Development Authority		
Health and Wellness	no change		
Housing and Urban Affairs	Housing Services	Former Municipal Affairs and Housing	
	Alberta Social Housing Corporation		
Infrastructure	except Provincial Highway Systems and Safety	Former Infrastructure and Transportation	Transportation
International and Intergovernmental Relations	except Aboriginal Governance, Consultation and Economic Development		Aboriginal Relations
	Investment Attraction	Former Employment, Immigration and Industry	
Justice and Attorney General	no change		
Municipal Affairs	except Housing Services		Housing and Urban Affairs
	except Alberta Social Housing Corporation		
	except Community and Voluntary Services		Culture and Community Spirit
Seniors and Community Supports	no change		

Ministry	Program/Entity Changes	Previous Location	New Location
Service Alberta	except Regulatory Review Secretariat		Finance and Enterprise
	except Personnel Administration Office		Treasury Board
	except Aircraft Services		
Solicitor General and Public Security	no change		
Sustainable Resource Development	no change		
Tourism, Parks and Recreation	except First Nations Development Fund		Aboriginal Relations
	except Culture, Community Lottery Grants, Heritage, Human Rights and Citizenship		Culture and Community Spirit
	except Alberta Foundation for the Arts		
	except Alberta Historical Resources Foundation		
	except Government House Foundation		
	except Historic Resources Fund		
	except Human Rights, Citizenship and Multiculturalism Education Fund		
	except Wild Rose Foundation		
	except Francophone Secretariat		Employment and Immigration
Transportation	Provincial Highway Systems and Safety	Former Infrastructure and Transportation	
Treasury Board	Corporate Human Resources (formerly Personnel Administration Office)	Service Alberta	
	Aircraft Services		

Appendix E

Performance Measures Sources and Methodologies

The following information is a summary of Employment, Immigration and Industry's (EII) performance measures sources and methodologies for the results reported in the Results Analysis Section. It explains how the performance measure results were calculated and highlights important elements for the reader.

PERFORMANCE MEASURE 1.a

Inter-provincial rank of labour force participation (#1 is the highest).

METHODOLOGY

The labour force participation rate is a measure of the proportion of an economy's working-age population (ages 15 and over) that is employed or unemployed (actively seeking employment). It is calculated as a 12-month average of Statistics Canada's monthly Labour Force Survey results. The labour force participation rate for Alberta is compared to each of the 10 provinces and the inter-provincial ranking is determined.

PERFORMANCE MEASURE 1.b

Percentage of participants in skills programs employed post-intervention.

METHODOLOGY

This performance measure indicates the success in finding employment for participants in skills programs. The percentage of participants employed post-intervention includes those in Work Foundations, Training for Work, Job Placement and Apprenticeship programs. Results for the Work Foundations, Training for Work and Job Placement portions of this measure are obtained through the Work Outcomes Reporting Project (WORP) surveys. To measure the rates of those employed after leaving the Apprenticeship program, Advanced Education and Technology conducts a Graduates of Apprenticeship Survey every two years.

The percentage of Work Foundations, Training for Work and Job Placement participants employed post-intervention is obtained for the question, "Have you been employed at any time since you left <program name>?" "Yes" and "No" responses are used to calculate the measure result. The percentage of Apprenticeship participants employed post-intervention is obtained from the Graduates of Apprenticeship Satisfaction Survey. This survey was last conducted in 2006-07 for 2005-06 graduates and it is expected to be conducted in 2008-09 for 2007-08 graduates. The 2005-06 Apprenticeship survey results were used for calculating the 2007-08 measure results due to the absence of a 2007-08 Apprenticeship survey.

An independent consultant is retained through WORP to contact former program participants three months after they leave Work Foundations, Training for Work and Job Placement programs. The survey sample is based on a probability sample of former participants. The estimated margins of error were ±3.3% (Work Foundations), ±3.3% (Training for Work) and ±4.1% (Job Placement) at a 95% confidence level. For the Apprenticeship survey, the estimated margin of

error was ±1.8% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.c

Percentage of participants in skills programs who indicate their training helped prepare them for future employment.

METHODOLOGY

The percentage of participants who indicated their training helped prepare them for future employment includes those in Training for Work and Work Foundations programs. Results for this measure are obtained through the Training for Work and Work Foundations Work Outcomes Reporting Project (WORP) surveys. The percentage of participants who indicate their training helped prepare them for future employment is generated for the question, "Did your training prepare you for future employment?" "Yes" and "No" responses are used to calculate the measure result.

An independent consultant is retained through WORP to contact former program participants three months after they leave Work Foundations and Training for Work programs. The survey sample is based on a probability sample of former participants. The estimated margins of error were ±3.4% (Work Foundations) and ±3.4% (Training for Work) at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.d

Percentage of participants employed after leaving Income Support.

METHODOLOGY

Results for this measure are obtained through the Income Support Work Outcomes Reporting Project (WORP) survey. The participants' employment level is obtained from the question, "Have you been employed at any time since you stopped receiving social assistance (welfare)?" "Yes" and "No" responses are used to calculate the measure result.

An independent consultant is retained through WORP to contact former Income Support program participants three months after they left the program. The estimated margin of error was ±7.5% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.e

Percentage of Child Support Services clients with potential for child support who have a support order or an agreement in place when the file closes.

METHODOLOGY

Single parents and parents of blended families in Income Support, Alberta Adult Health Benefit and Assured Income for the Severely Handicapped programs are eligible for help through Child

Support Services. The performance measure result is based on the cumulative total of monthly Child Support Services file closures. This excludes those files that were determined, after a Child Support Services assessment, to have no potential for a child support order or agreement. Examples of reasons for this include: no ability to pay, whereabouts unknown, respondent deceased, couple reconciled, etc. This result forms the denominator, from which the number of files with an order or agreement in place at the time of file closure is used as the numerator. This measure is reported by fiscal year and is calculated using the following formula:

$$\%\ \text{orders/agreements} = \frac{\#\ \text{of files closed with an order/agreement in place}}{\#\ \text{of files closed with potential for an order/agreement}} \times 100\%$$

PERFORMANCE MEASURE 2.a

Percentage of immigrants to Canada that choose Alberta as their destination.

METHODOLOGY

This information is obtained from the Citizenship and Immigration Canada (CIC) publication, *Facts and Figures: Immigration Overview*. With the Permanent Resident Data System, CIC tracks immigrant counts by three basic categories: family class, economic immigrants and refugees. In addition, there is a fourth category comprised of other immigrants.

The percentage of immigrants to Canada who choose Alberta as their destination is defined as the ratio of new immigrants who are destined to land in Alberta in a calendar year to the total number of new immigrants to Canada in the same calendar year.

PERFORMANCE MEASURE 2.b

Number of provincial nominations forwarded to federal government.

METHODOLOGY

The Alberta Immigrant Nominee Program (AINP) forwards nominations to the federal government to help skilled foreign workers expedite their applications for immigrant status. This helps Alberta employers to attract skilled workers in selected occupations and is a key program EII provides to address the skilled labour shortages.

AINP staff monitor the number of nominations forwarded to the federal government using the AINP database. The result of this measure is produced at the end of the fiscal year through a count of AINP nominations forwarded.

PERFORMANCE MEASURE 2.c

Percentage of clients who would recommend International Qualifications Assessment Services to others requiring an educational assessment.

METHODOLOGY

A survey of clients who access International Qualifications Assessment Services (IQAS) is conducted biennially by an independent consultant. The participants who would recommend IQAS to others requiring and educational assessment is obtained from the question, "Would you recommend IQAS to others who need an educational assessment?" "Yes" and "No" responses are used to calculate the measure result. The estimated margin of error was ±2.5% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 2.d

Number of International Qualifications Assessment Services assessment certificates issued.

METHODOLOGY

Paper-based applications for International Qualifications Assessment Services (IQAS) are reviewed for accuracy and are entered into the Foreign Academic Credential System (FACS). Assessment services included in this measure consist of all service categories: Basic, Description of Course Work, Assessment for Educational Institution and Duplicate Certificates. The number of IQAS assessment certificates issued in the fiscal year is the total number of assessments, not a count of the number of individuals given service.

PERFORMANCE MEASURE 3.a

Labour productivity: inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest).

METHODOLOGY

EII calculates the provincial labour productivity by using real Gross Domestic Product (GDP) at basic prices per hour worked for all jobs. GDP at basic prices is derived from GDP at market prices, but excludes indirect taxes and subsidies on products.

Real GDP data is in chained 2002 dollars. Chained dollars is a measure used to express real prices. Real prices are those that have been adjusted to remove the effect of changes in the purchasing power of the dollar. They usually reflect buying power relative to a base year, for example in chained 2002 dollars.

In November 2007, all real GDP estimates were revised by Statistics Canada with the base year changing from 1997 to 2002. Statistics Canada typically changes the base year for real GDP estimates every five years and this leads to revisions in the real GDP dollar values.

PERFORMANCE MEASURE 3.b

Real Gross Domestic Product of manufacturing and business and commercial services ($billions and per cent change).

METHODOLOGY

This information is obtained from the table published by Statistics Canada entitled Gross Domestic Product (GDP) by Industry in Millions of Dollars. This is a supplementary table to the *Provincial Economic Accounts, Annual Estimates*. GDP figures for four industries are added and they include: manufacturing; information and cultural industries; professional, scientific and technical services; and administrative and support, waste management and remediation services. This total is then divided by the total GDP figure for all industries.

For information on chained dollars and the change in the Statistics Canada base year, see Performance Measure 3.a.

PERFORMANCE MEASURE 3.c

Manufacturing and service industry investment: the value of new capital expenditures on construction and machinery and equipment in Alberta's manufacturing and services industry ($billions and per cent change).

METHODOLOGY

Statistics Canada surveys all industries once a year about their actual past years' capital investments, as well as their intended investments for the current year. Data are reported in Statistics Canada's publication, *Private and Public Investment in Canada, Intentions*. The estimated investment values for the manufacturing and utilities sectors come from this document directly. For services, the following industries are aggregated: transportation and warehousing; information and cultural industries; wholesale trade; retail trade; finance and insurance; real estate rental and leasing; professional, scientific and technical services; management of companies and enterprise; administrative and support, waste management; arts, entertainment and recreation; accommodation and food services; and other services. Excluded are: housing, primary industries, construction and institutions (e.g., public administration, health and education). The industries referenced as included in the calculation are added together to obtain the level of manufacturing and service industry investment.

PERFORMANCE MEASURE 3.d

Percentage of employers who reported no positions vacant for more than four months.

METHODOLOGY

The result of this measure is based on the biennial Alberta Wage and Salary Survey. Independent consultants are retained to conduct this survey. The survey was conducted as a sample survey using a web-enabled online questionnaire methodology. Participants were also given the opportunity to complete a paper version of the survey and return the questionnaire by mail or fax. For the 2007 survey, three data sources were used to obtain a sample that was

stratified by Alberta's eight Statistics Canada Economic Regions. The data sources were the Alberta First database, the Selectory database and the database of past participants. The estimated margin of error was ±1.8% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

Employers were asked the questions, "If you have recruited to this occupation over the past two years, please indicate if you have experienced a hiring difficulty" and "Do you currently have vacancies of over four months for this occupation?" The result for this measure is calculated from the latter question using the following formulas:

$$\text{Vacancy Rate} = \frac{\text{\# of companies who reported vacancies of over four months}}{\text{\# of respondent companies}} \times 100\%$$

100% – Vacancy Rate = Percentage of companies who reported no positions vacant for more than four months

PERFORMANCE MEASURE 4.a

Number of communities participating in Regional Economic Development Alliances and partnerships.

METHODOLOGY

Regional Economic Development Alliances (REDAs) and partnerships include self-selecting communities and supportive partners that utilize a collaborative approach to achieve prosperity. They encompass a defined geographical area based on a shared economic vision for the future. Sub-regional partnerships do not receive funding from EII and are usually ad-hoc in nature. REDAs are supported based on Memoranda of Understanding with EII and through formal grant funding agreements.

The data for this measure are determined from membership lists maintained by the REDAs. All REDAs' and partnerships' community information is received from the alliance management and administration. Communities participating in more than one REDA or partnership are counted only once.

PERFORMANCE MEASURE 4.b

Percent of Regional Economic Development Alliance board members satisfied with support received to help address economic development priorities in Alberta.

METHODOLOGY

Results for this measure are obtained through the Regional Economic Development Unit satisfaction survey. Client satisfaction is obtained from the question, "Thinking about the services provided by EII to your Alliance, how would you rate your overall satisfaction with EII Regional Development Staff?" The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, somewhat dissatisfied, very dissatisfied and neutral). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

The survey was conducted using two data collection methods: mail surveys and telephone surveys. In January 2008, survey questionnaires were sent to Regional Economic Development Alliances (REDAs). A total of 84 REDA board members completed the survey using this method. In February 2008, an independent consultant company was contracted to conduct telephone surveys with the remaining board members. A total of 24 surveys were completed using this method. After both collection methods were combined, 108 members participated in the survey out of the 136 board members. Participants are not randomly sampled so margin of error estimates do not apply.

PERFORMANCE MEASURE 4.c

Number of Alberta Economic Regions with a labour force participation rate higher than the national average.

METHODOLOGY

The labour force participation rate is a measure of the proportion of an economy's working-age population (ages 15 and over) that is employed or actively seeking employment. It is calculated as a 12-month average of the monthly results, which are distributed by Statistics Canada through the Labour Force Survey statistics. This performance measure compares the labour force participation rate for each of Alberta's eight Economic Regions to the national average. The eight Economic Regions were developed by Statistics Canada for economic and labour market statistics.

PERFORMANCE MEASURE 4.d

Partner satisfaction rating with the Northern Alberta Development Council's contribution in advancing northern interests.

METHODOLOGY

The Northern Alberta Development Council (NADC) conducts a clients and partners survey annually through an independent consulting company. The 2008 survey was designed by NADC staff and administered by the consulting company via telephone. The result of this measure was based on participants' responses to the question, "Overall and on a scale of 1 through 10 with 1 being very dissatisfied and 10 being very satisfied, how would you rate your satisfaction of Northern Alberta Development Council's contribution to advancing northern interests?" The result was calculated as an average of the numerical values from all the responses. The estimated margin of error was ±5.2% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 4.e

Northern Alberta Development Council Bursary return rate.

METHODOLOGY

Follow up is completed on each recipient of an NADC Bursary by the bursary co-ordinator through correspondence and telephone contact with recipients and the employers of recipients. Information from this follow up is entered in the bursary database and verified for accuracy.

After all information received by March 31 has been entered into the database by the bursary co-ordinator, data is extracted from the database through a query. The query pulls data for all the recipients who have completed their studies in the past three calendar years and whose status is either: Working North, Obligation Fulfilled, or Default. The bursary return rate for a single year is calculated based on the percentage of recipients who fall under the first two status types, that is either they are working in northern Alberta or have already fulfilled their obligation under the bursary. The percentage for each year is calculated, after which a weighted average is calculated over the past three calendar years. The weights used to calculate the weighted average are the percentage of recipients in that year over the total number of recipients for the three year period.

PERFORMANCE MEASURE 5.a

Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).

METHODOLOGY

This measure examines the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage.

EII collects data on the number of CBAs settled without a work stoppage and the number of legal strikes and lockouts. This measure examines the total number of CBAs settled but does not include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated using the following formula:

$$\%\ \text{of CBAs settled without a work stoppage}^{*} = \frac{(\#\ \text{of settled CBAs}) - (\#\ \text{of settlements with a work stoppage})}{\#\ \text{of settled CBAs}} \times 100\%$$

* This measure includes data from all contracts under the *Alberta Labour Relations Code* and the *Police Officers' Collective Bargaining Act*. Contracts covered under other legislation are excluded (i.e., contracts under the *Public Service Employees Relations Act*, Federal jurisdiction, the *Post-Secondary Learning Act*).

PERFORMANCE MEASURE 5.b

Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.

METHODOLOGY

The data for the total number of employers with a complaint filed against them is captured by EII's Employment Standards Information System (ESIS). The data for the total number of employers in Alberta is obtained from Statistics Canada: *Canadian Business Patterns*. This data set is a repository of information reflecting the Canadian business population and serves as a data source for the compilation of business demographic information. Data is collected daily and cleansed monthly. This data is filtered to count only employers who fall under the Alberta *Employment Standards Code* and *Regulations*, and who have one or more employees.

The result for this measure is calculated using the following formula:

$$\frac{(\text{total \# of employers in Alberta}) - (\text{total \# of employers with a complaint filed against them}) \times 100\%}{\text{total \# of employers in Alberta}}$$

PERFORMANCE MEASURE 5.c

Lost-Time Claim Rate: number of lost-time claims per 100 person-years worked.

METHODOLOGY

The Lost-Time Claim (LTC) rate represents the probability, or risk, of injury or disease to a worker during a period of one year's work. The measure indicates the number of LTCs per 100 person-years worked to indicate increases or decreases in this risk. One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.

The Workers' Compensation Board – Alberta (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to EII for analysis. The LTC rate is reported by calendar year and is calculated by EII using the following formula:

$$\text{LTC Rate} = \frac{\text{\# of LTCs} \times 100}{\text{estimated person - years}}$$

PERFORMANCE MEASURE 5.d

Disabling Injury Rate: number of disabling injury claims per 100 person-years worked.

METHODOLOGY

A disabling injury claim combines both the lost-time and modified-work concepts to produce an overall figure where an occupational injury or disease disables the worker causing either time lost from work or their normal work duties to be modified. The Disabling Injury Rate indicates the number of disabling injuries per 100 person-years worked to indicate increases or decreases in

this risk. For more information on lost-time claims and person-years, see performance measure 5.c.

The WCB records a disabling injury when a worker, his or her physician, or his or her employer submits an injury report form. The WCB collects this information and provides the data files to EII for analysis. The Disabling Injury rate is reported by calendar year and is calculated by EII using the following formula:

$$\text{Disabling Injury Rate} = \frac{\#\text{ of disabling injury claims} \times 100}{\text{estimated person-years}}$$

PERFORMANCE MEASURE 6.a

Average number of days from the acceptance of an application to the date of the first hearing.

METHODOLOGY

The Alberta Labour Relations Board (ALRB) Case Management System tracks all data relating to applications and hearing dates. In this performance measure, a report has been created from the database that identifies each matter before ALRB during the reporting period. It calculates the average number of calendar days for all matters from the date of the application to the first day of the first hearing.

PERFORMANCE MEASURE 6.b

Percentage of applications, with Board involvement, settled before reaching a formal hearing.

METHODOLOGY

The ALRB Case Management System tracks all data relating to the disposition of matters. In this performance measure, a report is created from the database that identifies each matter before ALRB and the type of resolution for that matter (withdrawal/informal/settlement). The number of matters resolved before hearings are identified and calculated as a percentage of all matters.

PERFORMANCE MEASURE 6.c

Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s).

METHODOLOGY

The ALRB Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 90 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

PERFORMANCE MEASURE 6.d

Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s).

METHODOLOGY

The ALRB Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 180 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

PERFORMANCE MEASURE 7.a

Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized: (Standard and Complex Appeals)

METHODOLOGY

The Appeals Commission Appeals Management System (AMS) tracks all data in a fiscal year relating to each appeal. AMS generates a report that calculates the average number of days from the date an appeal is first entered into the system until the panel issues the final decision.

The average number of days figure is calculated by subtracting the average number of days that are not in the Commission's control from the average total days from 'appeal' to 'finalize' statuses. The statuses that are not in the Commission's control are intake pending, pending, administrative adjournment, adjourned sine-die, adjourned party and client deferred.

The Appeals Commission Business Rules outline the process for changing the appeal stream from Standard to Complex after the intake stage.

PERFORMANCE MEASURE 7.b

Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.

METHODOLOGY

The Appeals Commission AMS tracks all data relating to each appeal. AMS generates reports that calculate the number of decisions sent back by the Courts or the Ombudsman and the number of decisions the Appeals Commission reconsiders as a result of reconsideration applications or on its Own Motion. In 2002, the *Workers' Compensation Act* was amended to include a statutory right of appeal (s. 13.4) on questions of law or jurisdiction.

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